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SOCIETY OF PAPER MONEY COLLECTORS



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Antique Stocks and Bonds; U.S. Coins; Paper Money.

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On the cover . . . colorful paper money spans centuries from Continental Currency to Rainbow Legal Tenders to non-paper notes such as the Australian \$10 polymer note.

Society of Paper Money Collectors



The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the American Numismatic Association.

The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show). Up-to-date information about the SPMC and its activities can be found on its Internet web site www.spmc.org.

MEMBERSHIP—REGULAR and LIFE. Applicants must be at least 18 years of age and of good moral character. Members of the ANA or other recognized numismatic societies are eligible for membership; other applicants should be sponsored by an SPMC member or provide suitable references.

MEMBERSHIP—JUNIOR. Applicants for Junior membership must be from 12 to 18 years of age and of good moral character. Their application must be signed by a parent or guardian. Junior membership numbers will be preceded-

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DUES—Annual dues are \$30. Members in Canada and Mexico should add \$5 to cover postage; members throughout the rest of the world add \$10. Life membership — payable in installments within one year is \$600, \$700 for Canada and Mexico, and \$800 elsewhere. The Society has dispensed with issuing annual membership cards, but paid up members may obtain one from the Secretary for an SASE (self-addressed, stamped envelope).

Members who join the Society prior to October 1 receive the magazines already issued in the year in which they join as available. Members who join after October 1 will have their dues paid through December of the following year; they also receive, as a bonus, a copy of the magazine issued in November of the year in which they joined. Dues renewals appear in a fall issue of *Paper Money*. Checks should be sent to the Society Secretary. ❖

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An Introduction to Plastic “Paper Money”

By: Mohamad H. Hussein

BARTER IS THE EXCHANGE OF GOODS or services for mutual benefit; currency implies exchange through a medium of real or representative articles; and money means that the exchange medium is a token (Quiggin, 1992). The development of money parallels the growth of all civilizations and human cultural progress. The origins and invention of money cannot be credited to a single period, place, or society.

The functions of money generally include: medium of exchange, unit of account, measure of value, means of payment, store of wealth, liquid asset, market price, causative factor and controller of the economy (Cribb, 1990, and Weatherford, 1997).

In ancient times, exchange was done in ways and by means that had many features of money, although not always in accordance with orthodox economic theory. Anything can be used as money, so long as everyone involved agrees to it. While economists study the abstract theoretical aspects of money, notaphilists are generally concerned with its numismatic and physical characteristics.

Historically, a vast multitude of different kinds of materials and objects have been used as circulating media of exchange, including: almonds, aluminum, amber, aragonite, arrowheads, axes, bamboo, barley, bat teeth, beads, bells, bear skin, beaver skin, beer, beeswax, blankets, boar tusk, bottles, brass, bronze, buffalo, bullets, butter, cake, cattle, clay, camels, cigarettes, cheese, clamshells, cocoa beans, coconuts, copper, corn, cowries, cows, dog teeth, drums, eggs, elephant tail hair, elk teeth, feathers, fish hook, fish teeth, flint, flowers, furs, gin, glass, gold, gongs, gum, gunpowder, hoes, horses, human hair, human teeth, ivory, jade, kettles, leather, limestone, linen, lipstick, liquor, kettles, and mats.

Also, musket balls, nails, olive oil, oxen, palm oil, pigs, playing cards, porcelain, quartz, rats, rice, rings, rubber, rum, salt, silk, silver, soap, stamps, stone, tea leaves, tobacco, vodka, wampum, whales teeth, whiskey, wood, wool, yarns, and zappozap. The cowrie shell, an approximately one inch long white or yellow porcelain-like shell of a mollusk widely found along the shores of the Pacific and Indian Oceans, is perhaps the most widely and longest-used currency in history.

The earliest documented type of non-metallic, "paper money" could be the one-foot-square pieces of white deerskin leather notes made in China around 120 B.C. The Chinese invented true paper around 100 A.D. and ink around 400 A.D.; they also introduced the printing process. The earliest known predecessor to our familiar paper currency, with the name of *fei-ch'ien* or "flying money", dates back to the T'ang dynasty (618-907) in China. The name was most likely derived from the fact that the notes were much lighter than the circulating metallic cash making them easily swept around in the wind. Scarcity of coins necessitated the use of these "value tokens" notes as receipts by merchants, and by the end of the 10th Century dominated as monetary units.

Europe was exposed to the paper money of Kublai Khan through Marco Polo's epochal travels to China (1275-1292), but it took several hundred years to produce its own paper money notes. Modern banknotes evolved from influential bankers and merchants' receipts in Europe in the 14th century quite independently from the Chinese early paper money experiment (Green, 1989).

By the middle of the 17th century, cumbersome copper plates weighing up to 40 pounds were used as currency in Sweden. Economic hardships resulting from depreciation of the metallic currency in 1660 dictated the need for an alternate currency. The government authorized Johan Palmstruch, a Dutchman, to establish the first Swedish bank, the Stockholms Banco, which on July 16, 1661, issued the first banknotes in Europe. These notes of credit (*kreditivsedlar*) were printed by letterpress with handwritten numbers, date of issue, and signatures on "any kind of paper available" (Krainster, 1989), with an embossed seal and no specific watermark.

The Massachusetts Bay Colony issued the first paper money in America (and the world's first publicly authorized by a government) in December 1690. Soon after it was established in 1694, the Bank of England issued the first English banknotes. These "Running Cash Notes" were handwritten on "ordinary paper bought from a stationer" (Narbeth, 1986). The first Australian paper currency was issued in 1817 by the Bank of New South Wales. In the United States interest-bearing notes were authorized March 2, 1861; Demand Notes were authorized in July, and United States Notes (Legal Tender Notes) followed dated March 10, 1862.

The first paper banknotes were produced by simple means utilizing commonly available materials and methods. Today's banknote is a highly specialized industrial product, manufactured by using extraordinary meth-

ods with secret materials and processes. For about a century, the American Banknote Company (ABNCo), was a leading security printer, and the main supplier of paper money to many countries, including several in Central and South America. ABNCo was the first to experiment with alternative materials and produce plastic banknotes for general circulation. The plastic notes were promoted as a more durable and secure substitute to paper. Jim White, a researcher in a DuPont experimental laboratory in the United States, coincidentally discovered a new material in 1955. A decade later, the new engineered, lightweight, smooth, tough, tear-resistant material (made from very fine, spun-bonded, high-density polyethylene fibers) was registered under the trademark name Tyvek.

In the early 1980s, ABNCo produced trial samples or specimen notes using Tyvek for Costa Rica (20 and 100 colones), Ecuador (10 and 100 sucres), El Salvador (5 and 10 colones), Haiti (1, 2, 50, 100, 250, and 500 gourdes), Honduras (10 lempiras), and Venezuela (10 and 20 Bolivares). It is believed that additional trial samples (denominations and countries) were also produced. During 1980-82, ABNCo used Tyvek to issue a complete series of 1 (size: 122 x 61 mm), 2, 5, 50 (two types), 100, 250, and 500 gourdes circulating notes for Haiti (Pick nos. 230A, 231A, 232, 235A, 236, 237, and 238, respectively). Costa Rica issued 20 colones Tyvek notes (size: 158 x 68 mm, with Z prefix series, Pick no. 252), dated 28 June 1983.

The ABNCo subsidiary Bradbury Wilkinson & Co., a British security printer, produced 2,500,000 Bradvek 1 pound circulating plastic notes (size: 135 x 66 mm; serials M, N, and P; Pick no. 38) for the Isle of Man in 1983. Production of the Isle of Man note ceased when the company Bradbury Wilkinson & Co. was sold by ABNCo to Thomas de la Rue, another major British security printer.

Although the use of these plastic notes was short-lived, primarily due to their rapid physical deterioration (ink wear and substrate delamination) in the demanding tropical climate conditions, the experiment was an interesting development in the production of banknotes on non-paper substrate. As a material with many useful properties and desirable characteristics, Tyvek is extensively used today in a wide variety of industries, including protective apparel, construction, envelopes, medical packaging, and graphics. More information about the Tyvek material and its uses can be found on the World Wide Web at: www.Tyvek.com.

Today's plastic notes are polymers. Polymers are naturally occurring, or man-made synthetic substances composed of large molecules, called macromolecules, that are made of repeating single molecules called monomers. Organic matter found in living things, such as protein, wood, starch, wool, cellulose, glycogen, lignin, and resins are natural polymers. Inorganic mineral polymers found in nature include diamond, graphite, quartz, and feldspar. Synthetic materials such as plastics, nylon, rayon, adhesives, concrete, and glass are also polymeric compounds. Rubber can be a natural or synthetic polymer.

Securrency Pty Ltd is a recognized leading polymer technology company formed in 1996 as a joint venture between the Reserve Bank of Australia (RBA), i.e., Australia's central bank, and UCB (a Belgian multi-national specialty chemicals, pharmaceuticals, and film production company founded in 1928). UCB is the world's foremost producer of biaxially oriented polypropylene (BOPP) derived from the fractionation and cracking of petroleum crude oil, which is the base material used for plastic (polymer) banknotes.

Securrency has developed a range of unique polymer substrate for printing high security documents, such as a material called Guardian for the production of banknotes. According to the company's website

(www.securency.com.au), the Guardian polymer material has many benefits for use in the production of banknotes, including: superior security, durability, cleanliness, functionality, machine processability, cost-effectiveness, and recyclability.

Following the success of the Polymer Symposium held in Melbourne and Sydney Australia in October 1999 and the growing interest in polymer banknotes from countries around the world, the International Polymer Currency Association (IPCA) was formed to "assemble the knowledge and experience of various industry sources such as technical experts, polymer printers and Central Banks, in order to keep the industry up to date on developments in polymer banknote technology" (www.ipca.au.com).

A polymer bank note is not merely a remarkable security document, but a self-authenticating technological monetary device. It is also a work of amazing craftsmanship and wonderful fine art. Since bank notes have no intrinsic value, the quality of a note is a reflection and an indication of its authenticity and value. Advances in security features are occurring at a fundamental level with polymer notes whereas it is mainly superficial with paper notes.

Production starts with a clear plastic film that is processed through the following steps: opacifying by applying layers of ink to selected areas of each side of the substrate; sheeting is cutting into sheets suitable for feeding into printing press; printing which can be done with traditional offset, raised intaglio and letterpress process; and overcoating which entails treatment with a protective varnish. Various unique security features are incorporated at different stages of production; discussions of the notes below include descriptions of the various security features typically employed.

The following is a chronological listing of the first countries worldwide to switch to this new technology, with the date of their first-issue polymer (Guardian) notes:

- Australia – January 27, 1988
- Singapore – August 9, 1990
- Samoa – 1990
- Papua New Guinea - 1991
- Kuwait (not legal tender) – February 26, 1993
- Indonesia – March 1, 1993
- Brunei – February 1996
- Thailand – July 9, 1996
- Sri Lanka – February 4, 1998
- Malaysia – June 1, 1998
- New Zealand – May 3, 1999
- Taiwan – June 15, 1999
- Romania – 1999
- Northern Ireland – December 21, 1999
- Brazil – April 22, 2000
- China – November 28, 2000
- Bangladesh – December 14, 2000
- Vietnam – 2001
- Solomon Islands – June 21, 2001
- Nepal – September 3, 2002
- Mexico – September 30, 2002
- Zambia – September 26, 2003
- Chile - August 31, 2004

By late 2003 (an update will appear as a future article in *Paper Money*), these 23 countries combined for a total of 56 polymer issues in 302 varieties. Australia, New Zealand, and Romania were the first countries to fully con-

vert to polymer notes.

Following are discussions on the first issues of polymer notes (based on technology devised and developed by Note Printing Australia, a division of the Reserve Bank of Australia) of ten countries, including the first five to issue them (Australia, Singapore, Samoa, Papua New Guinea, and Indonesia), and five other countries with interesting issues (Brazil, Kuwait, Northern Ireland, Romania, and Zaire). The accompanying figures show the first issue notes from these ten countries.

Much of the descriptive information and numismatic data have been obtained from the web site www.polymernotes.com developed by Mr. Trevor Wilkin from Australia, a leading authority and dealer in polymer banknotes. Another indispensable resource is the web site: www.polymer-notes.org by Mr. Stane Straus from Slovenia who is a recognized expert on worldwide polymer notes. The notes are attributed to the Standard Catalog of World Paper Money - Modern Issues 1961-Date - Volume Three, 9th Edition (Shafer and Cuhaj, 2003) by indicating the corresponding widely used Pick numbers (P.).

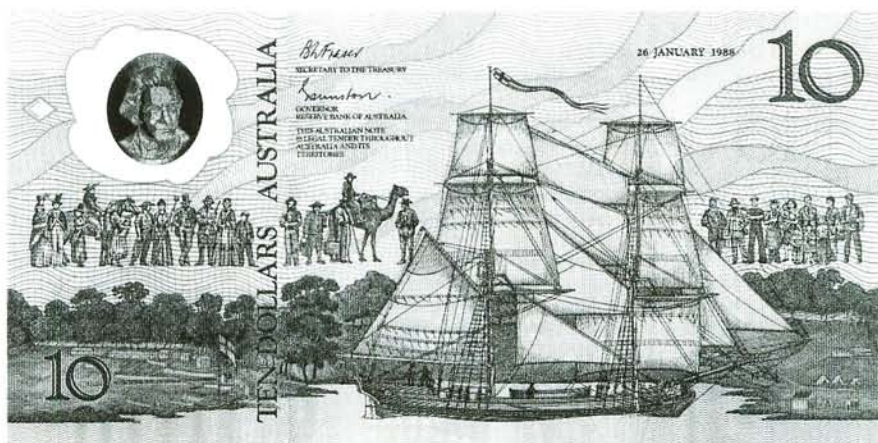
Australia

The first polymer "paper money" in the world was released in Australia on January 27, 1988. The \$10 note (155x77.5 mm, dated 26 January 1988 which is a public holiday celebrated as Australia's national day, serial number prefixes AA and AB (not dated) Pick nos. 49a and 49b, respectively) was issued to coincide with the commencement of the bicentennial celebrations of European settlement. This history-making note is the product of nearly 20 years of ground breaking research and development (at a cost of \$13 million) by Australia's leading security printer Note Printing Australia (NPA) and the Federal Government's research institution - the Commonwealth Scientific and Industrial Research Organization (CSIRO).

The key security feature is a sophisticated Optically Variable Device (OVD) with the image of Captain Cook visible from both sides of the note, developed by the Note Printing Branch (NPB) of the Reserve Bank of Australia (RBA). Other security features include a clear transparent area surrounding the OVD, micro-printing, fluorescence serial number, intaglio printing method, and a watermark-like effect incorporated into the base polymer substrate.

Designed by Harry Williamson in blue, green, gray, and deep orange colors, the front of the note emphasizes the theme of settlement by showing the *HMS Supply* and 10 other ships, Sydney Cove, along with a medley of diverse people. The back side is dominated by native Aboriginal themes depicting a youth wearing body paint, Morning Star Pole, and rock paintings.

Note Printing Australia produced the notes in 24-note sheets. The note is signed by Robert Johnson (Governor of the Reserve Bank of Australia) and Bernie Fraser (Secretary to the Treasury). Collectors could obtain packaged notes in a presentation folder and envelope, base uncut 24-note sheets, smaller 12-note half-sheets, and 4-note strips and blocks. Circulating \$10 polymer notes (distinguished by the AB serial number prefix) were issued on October 24, 1988.



Design work for a New Note Series (NNS) in polymer to replace the existing paper notes had started prior to the release of the Bicentennial \$10 issue of 1988. The first of the polymer NNS was released on July 7, 1992, a \$5, 130x65 mm, light mauve with gray and cream colored, intaglio printed note (P.50). Designed by NPA's chief designer Bruce Stewart, the front of the note depicts a portrait of Queen Elizabeth II and gum tree leaves, and the back show drawings of the new Federal Parliament on Capital Hill and the former Parliament House.

These notes were produced by NPA in 40-note sheets. The notes have serial number prefixes range of AA 00 to AB 19 (allowing for a theoretical printing of 119 million notes), and are signed by Bernie Fraser (Governor of Reserve Bank of Australia) and Anthony Cole (Secretary to the Treasury). Security features include: a clear window with a gum flower impression, a perfect registration device, micro printing, multi-colored fine lines, and fluorescing serial numbers.

The New Note Series continued with the \$10 issued on November 1, 1993 (137x65 mm, designed by Max Robinson showing Andrew "Banjo" Patterson (Australia's leading bush poet) on front and Dame Mary Gilmore (celebrated author, poet, and social reformer) on back in blue, gray, and orange colors, Fraser - Evans signatures, P.52); \$20 issued on October 31, 1994 (144x65 mm, designed by Garry Emery showing Mary Reibey on front and John Flynn (Presbyterian minister instrumental in the establishment of the Royal Flying Doctor Service) on back in mostly red color, Fraser - Evans signatures, P.53),

Also, \$50 issued on October 4, 1995 (151x65 mm, designed by Brian Sadgrove depicting portraits of David Unaipon (an Aboriginal writer and inventor) on the front and Edith Cowan (social worker and first female parliamentarian) in mostly yellow / gold color, Fraser - Evans signatures, P.54); and \$100 issued on May 15, 1996 (designed by Bruce Stewart featuring Dame Nellie Melba (opera singer) on front and Sir John Monash (one of Australia's greatest soldiers) on back in mostly green color, Fraser - Evans signatures, P.55). The notes include security features similar to those described above for the NNS \$5 note. Today, all of Australia's "paper money" is polymer notes. There are 8 polymer note issues available in 119 varieties.

Brazil

To commemorate 500 years since the European discovery of Brazil, the Banco Central do Brasil issued a 10 reais polymer note on April 22, 2000. Brazil was the fifteenth country in the world, and the first in the Americas, to issue a modern Guardian polymer note. Over the following two years, 250 million of these notes were issued for general circulation. The 140x65 mm, mostly orange and blue colored note, features a large portrait of the Portuguese navigator Pedro Alvares Cabral who discovered Brazil on April 22, 1500, along with ships of his fleet and rendition of what

may be the earliest map of the newly discovered land. Also inscribed on the front is the phrase "Deus Seja Louvado" (God is praised) printed in almost the same color as the background. Designs on the back include a stylized current map and portraits of various faces representative of modern Brazil's ethnic and cultural diversity.

The notes are signed by Armino Fraga - President of Banco Central do Brasil, and Pedro Malan - Minister of



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Finance. Security features include clear window with a bright red disk incorporating relief printing of the denomination "10" to assist the visually impaired, wind rose pattern which acts as a perfect registration device, printed magnetic thread, self authenticating metametric window filter, shadow, latent and fine images, micro printing, fluorescent ink.

Notes were intaglio printed by Casa da Moeda (CdM) of Brazil on Securrency supplied polymer substrate. The notes are in two varieties: P. 248a, shows Cabral's name as Pedro A. Cabral with serial numbers A0001 to A0568, and P.248b which states his full name Pedro Alvarez Cabral with range starting with A0587. No replacements or sheets are known to exist. A special printing of 100,000 notes with serial number range from A0001000001 D to A0001100000 was issued with a folder.

Indonesia

On March 1, 1993, Indonesia became the fifth country in the world (the sixth counting the Kuwaiti note, see below) to issue a polymer legal tender note by issuing a 50000 rupiah (Rp) denomination banknote commemorating 25 years of economic growth and prosperity under President Soeharto's 25-Year Development Plan. At least 5 million of the 154x77 mm, P.134a and P.134b in folder, light gray with green and blue colors notes were intaglio printed by the Note Printing Australia (NPA) for the Bank Indonesia, the note's issuing authority. Indonesian printed paper equivalent notes were also printed in much greater numbers.

The signatures of A. Mooy – Governor of Bank, and Hasudungan Tampubolon – Director are on the notes. The notes (plastic and paper

issues) were withdrawn from circulation on August 21, 2000, following Soeharto's fall from power. The notes were no longer legal tender, but could still be redeemed until August 20, 2005, at commercial banks and for five additional years after that through Bank Indonesia. On August 21, 2010, they will be demonetized.

The designs emphasize the theme "25 YEARS OF INDONESIAN DEVELOPMENT". On the face of the note prominently

appears the portrait of President Soeharto (also incorporated into the OVD) as the Father of Indonesian Development with the representation of various developments in education, agriculture, infrastructure, oil explorations, tourism, and showing the nations religious and social cohesion in diversity. On the back is the Soekarno-Hatta International Airport in Jakarta and a Garuda Indonesia airplane taking off, signifying the Indonesian development and prosperity.

Security features include: clear window with a sophisticated Optically Variable Device (OVD), perfect registration, and fluorescence patterns. Specimens with AAA 000000 serial number inscribed with "SPECIMEN" and "TIDAK BERLAKU" (i.e., without value) exist. Issued notes have a ZZ- (including ZZZ) prefix (not to be confused with nonexistent replacement notes). On November 1, 1999, Indonesia issued its second polymer note; 500,000,000 of the 100000 rupiah denomination notes were produced by the Note Printing Australia and the Note Printing Works of the Bank of Thailand.



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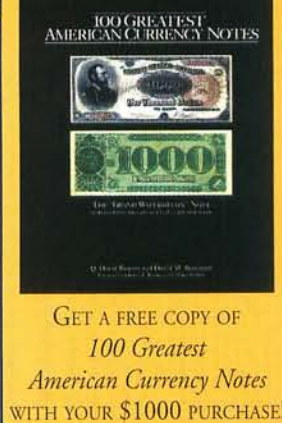


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Kuwait

February 26th is a national holiday in Kuwait – Liberation Day – celebrating the liberation from the invading Iraqi forces and restoration of sovereignty following six months of brutal occupation. On February 26, 1993, the Central Bank of Kuwait issued a 1 dinar polymer note (in a special folder with envelope made in Australia by Sprintpak) commemorating the second anniversary of liberation. Perhaps as many as three million notes (with prefix range CA, CB, and CC; with the extraordinary replacements all with CK000091 serial number) were intaglio printed by Note Printing Australia on polymer believed to have been manufactured in England by a UCB SA owned plant.

The 160x68 mm, P.CS1, mostly lilac with light orange and red on front and blue, red, and yellow on back, note features the map of Kuwait, Coat of Arms, and a list (in Arabic and English) of the names of the 34 Allied Coalition countries that participated in Desert Shield and Desert Storm on the front. The back design depicts burning oil fields, the Emir's Seif palace administrative building, and joyous reunification scenes on back.

A range of security features including a clear window, microprinting and intricate line drawings, shadow imaging, perfect registration, and a thumb print forming a Diffractive Optically Variable Device (DOVD) which is a megapixel type defraction grading with demetalised foil (see IPCA issue 3 April 2001). Signed by Salem al-Sabah – Bank Governor, and Nasir al-Rodham – Finance Minister, the notes include the curious statement: "this is not legal tender"!

On February 26, 2001, Kuwait issued another 1 dinar polymer note (P.CS2) to commemorate the 10th anniversary of the liberation. This issue is also not legal tender, and perhaps the simplest polymer note in terms of security features. Chronologically, Kuwait was the fifth country in the world to issue a NPA-based polymer note, however, it is inscribed with "Not Legal Tender" even though it was reportedly used as currency.

Northern Ireland

The first polymer note to be issued within the frame of the European Union was the commemorative 5 pounds banknote by the Northern Bank of Northern Ireland. Two million notes were issued to mark the advent of the new millennium. The circulating notes (P.203a) are dated October 8, 1999, have serial number prefix MM. The special edition collector version (P.203b) are dated January 1, 2000, have serial number prefix Y2K. The 135x70 mm notes were designed by Securrency Pty Ltd and intaglio printed by the Canadian Bank Note Company (CBN) on Guardian substrate supplied by Securrency. The notes are signed by Don Price – Chief Executive.

The nontraditional vertical format, vibrant blue color, imaginative design concepts, and innovative security features make this one of the most exciting polymer notes and attractive banknotes in the world. The inspired design "seeks to illustrate the world in a wider, more spiritual and celestial context" (inscription from the limited edition folder). The front displays images representing the beginning of the universe, birth of the solar system with the earth as a transparent colored disk, and the Star



of Bethlehem. The back design elements represent the sun, time travel through waves, the earth, stopwatch with its hands at midnight marking a new beginning, and spaceshuttle reaching into space with technology.

The various security features discrete to this note include: latent imaging, interference patterns, features similar to watermark on paper effects, clear and color translucent embossed windows, different color, orientation and size of serial numbers, micro printing, and fluorescing bar code, serial numbers, and design features with denomination. This issue is only available in individual notes (no sheets), and replacements are presumed not to exist.

Northern Ireland is one of the very few countries in the world that still allow private banks to issue banknotes; in addition to the Northern Bank, there are three others (Bank of Ireland, First Trust Bank, and Ulster Bank) presently licensed to issue notes. Northern Ireland was the 14th country to issue a polymer note.

Papua New Guinea

During September 7-21, 1991, Papua New Guinea hosted the 9th South Pacific Games – a regional event with participation from the 20 countries of Melanesia and Micronesia. To commemorate the event, a 2 kina polymer banknote, 140x70 mm (P.12), similar to the circulating paper note but with stylized Bird of Paradise in clear window at lower right, was issued. The notes are signed by the Governor of the Bank and



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Terrific item; sold for \$2760 in World Sale #2

Australia 1 Shilling 1.3.1941 (#SB 552a/C1213a)



Camp Hay: "We are here" in wire; sold for \$4255 in World Sale #7

Consignments are welcome.

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by the Secretary of the Department of Finance of Papua New Guinea.

The note is intaglio printed in dark green and black design elements on light green with design that includes several features surrounding the National Crest on the front, such as a tapa cloth from Central Province, Mount Hagen axe, club from Huon Gulf, clay pot from Sepik, shield from Madang, marriage bed from Manus Island, and a shield from Upper Sepik. The following features appear on the back of the note: a Mount Hagen axe, kula arm band from Milne Bay, engraved dog's teeth from Bougainville, and a clay pot from Sepik. The background images comprise: a tapa cloth from the Northern Province, waist bands from the Gulf Province, canoe from the Trobriand Islands, shield from Sepik, canoe from West Sepik, Madang shield, and clubs from Huon Gulf.

In September 2000, the Bank of Papua New Guinea released commemorative 2-, 10-, 20- and 50-kina banknotes to mark its 25 year anniversary of Independence. There are now a total of four polymer note issues available in 28 varieties.

Romania

The National Bank of Romania (NBR) issued the first polymer note in Europe on August 11, 1999, in commemoration of the total northern hemisphere solar eclipse. The new denomination 2000 lei, 143x63 mm (P.111a as issued note and P.111b with serial number prefix 001A in folder), is a very colorful and artistically designed issue and perhaps among the world's most beautiful notes. In the following year, polymer notes with denominations of 10,000 and 500,000 lei were also issued (P.112 and P.115, respectively).



To make the transition smoother, the 10,000 lei banknote was a polymerization of the existing paper note, with many visible and discrete security features. The 500,000 lei polymer note was the first to incorporate a special security feature to deter reprographic counterfeiting, patented by Note Printing Australia, called Transparent Intaglio

Disappearing Effect (TIDETM). On December 5, 2004, new technology met old inflation when Romania issued its largest denomination currency a polymer 1,000,000 lei note (one-million lei equivalent to about US \$30). This is the highest denomination polymer note today.

The front of the note's main design feature is a portrait of playwright, journalist and author Ion Luca Caragiale (1852-1912), along with a mask representing comedy, floral arrangement, coat-of-arms, and the face value in figures and letters printed horizontally and vertically. Depicted on the back are former National Theater building in Bucharest, a mask representing tragedy, and a statue of Caragiale. The note's size is 168 mm by 78 mm and main color is blue.

A number of special security features include: a transparent window embossed with the face value 1,000,000, laser-made micro-perforations visible when the note is held against the light, and ink which changes color from golden to green when the note is viewed from different angles. Romania was the 13th country in the world to issue polymer notes, and the 3rd to convert to exclusively polymer circulating notes. There are a total of 6 polymer issues available in 15 varieties.

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Samoa

In 1990, The Central Bank of Samoa issued a 2 tala polymer note to commemorate a Golden Jubilee, 50 years of public service by its Head of State - H.H. Susaga Malietoa Tunumafili II. By issuing the 140x70 mm dimensions, one-off denomination note Samoa became the third country in the world to issue a polymer banknote. This note lays claim to the longest serving polymer issue still in circulation today, notwithstanding that it has undergone a number of changes. The signature of Tuila'epa Sailele Malielegaoi – Minister of Finance is on the notes.



Designs on the front and back of the note reflect the importance of the village and family structure of Samoan society. A large portrait of the Head of State along with a village scene is depicted on the front. A traditional family scene and Coat of Arms are depicted on the back. *The Standard Catalog of World Paper Money* (www.krause.com) lists the note under five varieties: P.31a – text on face partly engraved with AAA serial number prefix intaglio issue, P.31b – uncut sheet of four notes with AAB prefix intaglio printing, P.31c – AAC prefix lithographic issue printing with color variety, P.31d and P.31e intaglio issues with AAD and AAE prefix serial numbers, respectively. The initial issue (i.e., prefix

AAA or AAB in sheets) had to be recalled due to technical difficulties (ink came unstuck) with the type of brown ink used (it contained pigments not suitable for printing on polymer material). The second issue was printed by the lithographic method.

In addition to traditional security devices such as intaglio and simultaneous offset printing, and microprinting, the polymer substrate allowed the use of additional anti-counterfeiting devices such as shadow image (National Flag) and a clear area with the shape of a stylized Hibiscus flower, containing the picture of a Kava bowl visible from both sides. The offset print used for background security patterns and including rainbow effects is applied to both sides at the same time, allowing perfect registration of features such as the Star. Specimens exit with serial number AAA 000000. In 1997, Western Samoa dropped "Western" from its name to become officially known as Samoa.

Singapore

The small southeast Asian island-nation, Singapore, became the second country to issue polymer banknotes. As part of its 25th anniversary of independence celebrations, it issued a commemorative \$50 polymer note dated 9 August 1990. A total of



300,000 of these notes (dated, with "A" prefix, P.30) were issued in folders; 4,817,000 notes were also issued for circulation (without a date, with prefixes B to J, P.31).

Designed by Singaporean artist Chua Mia Tee, the front of the 156x74 mm size note emphasizes economic development including a view of the world's busiest seaport container termi-

nal, and the back shows the first national Parliament (and its date 8th December 1965), and a group of ethnically diverse people celebrating under the national flag and coat-of-arms. Singapore in four languages (Malay, Chinese, Tamil, and English) is printed across the top on back. Shades of red and yellow are the predominant colors.

The notes were printed by Note Printing Australia using the intaglio method. The signature of Hu Tsu Tau, Minister of Finance (and Chairman of the Board of Commissioners of Currency) appears at the lower right side on the front of the note. The main security device is an OVD showing the portrait of President Yusof bin Ishak which can be viewed from both sides of the note, set in a large clear see-through area. Other security features include a perfect registration device in the form of the four blossoms of the national flower - the orchid, micro-printing of "BOARD OF COMMISSIONERS OF CURRENCY SINGAPORE", very fine lines, images in the under-print visible only when the note is held against the light, and fluorescent serial numbers.

Having been a product of the early polymer note production technology, there were several technical difficulties encountered (with the OVD, and abnormal amount of red color) which resulted in a high degree of spoilage (resulting in issues with at least 7 prefixes).

Zambia

After an extended tender process in which the Canadian Bank Note Company (CNB) won the contract to print the first African polymer banknote, with great fanfare and much pride, the Bank of Zambia (BOZ) issued two notes - 500 and 1000 Kwacha - on September 26, 2003. Due to an embarrassing situation where the guests at the notes' launching celebration event were left with red and black ink stains on their fingers from the defective serial numbers as they handled the notes the release was withdrawn within hours. It is estimated that about 9,000 defective notes were issued. CBN later explained that insufficient curing time between the printing and guillotining had apparently been allowed for some production batches. The 500 kwacha note was later reissued on November 3rd and the 1000 kwacha note on November 10th. Caleb Fundanga signed the notes as Bank of Zambia Governor.

The designs of both notes are modeled on the paper issues they replace.

The 500K is in earthy colors of brown and green; the front shows Zambia's national bird and the fish eagle proudly perched on a tree limb. On the back, Africa's quintessential tree the baobab occupies the center and a dove in flight forms the see through window at the extreme left. The front of the bright red and green 1000K is similar to the 500K except that a jacaranda tree replaces the baobab. The Fish Eagle is the main feature and primary recognition feature on all Zambian banknotes. The Chain Breaker or Freedom Statue, in Lusaka, is printed on the back of each note; it represents Zambia's struggle to freedom in the pre-colonial days and is a tribute to the fallen heroes. Zambia's independence is highly treasured and this is reflected in its currency, the Kwacha, which in the Chibemba language means "dawn", signifying the dawn of freedom.

Zambia is one of the few countries to have replacements in polymer. In the paper series, a replacement note is denoted by 1 over X. For these polymers a variation of this and the regular prefix has been used thereby



creating a hybrid prefix Replacement notes have an alphanumeric symbol X3 instead of a numeric symbol 03 as a serial number prefix denominator.

The main security features include a feather which forms a perfect registration device, two latent image style images - the head of the fish eagle (the watermark on Zambia's paper notes) and the Freedom Statue, and imitation security threads on both notes - on the 500K it carries the BOZ initials, but not so on the 1000K. Zambia was the 22nd country to issue polymer notes; followed by the latest one so far, Chile, which on September 7, 2004, issued a 2000 pesos polymer note.

Wave of the future

Modern notaphilists generally consider any non-metallic currency, printed on paper, leather, silk, plastic or any other substitute as "PAPER MONEY" for numismatic purposes (Narbeth, 1986). Polymer notes last longer, stay cleaner and more hygienic, and due to their transparency and opacity are much harder to counterfeit and forge than paper banknotes. A polymer note costs approximately twice as much to make as a paper note, but lasts four to five times longer in circulation.

In its short history, a considerable number of countries have already issued polymer notes, including many others not covered in this article. It is probably reasonable to speculate that most countries will be utilizing polymer for printing their money in the future. Now is a great time to start collecting polymer notes beginning with their first issues by countries around the world. It is still possible to procure a complete collection of up-to-date, including first-issue, polymer notes for less than \$1,500; a somewhat considerable, but relatively modest sum considering the current catalog values of many collector-desirable paper notes of not so long ago.

An album with first-issue polymer notes would chronicle the living history of the future of paper money. Modern plastic notes are truly wonderful works of art and marvelous technology. The history of money began long ago, and with the recent introduction of polymer notes, the future of paper money is here now. Our Society of Paper Money Collectors (SPMC) should welcome, encourage, and support the collecting and study of plastic money as a major specialty within the wide field of syngraphics. Fortunately, the "P" in SPMC, may also stand for plastic, or polymer!

The author would like to acknowledge the authoritative information provided by two of the world's foremost experts on polymer banknotes, Messrs. Stane Straus from Slovenia (straus@polymernotes.com) and Trevor Wilkin from Australia (trevornotes@bigpond.com), and thanks also to Mr. Straus for his review of the draft version of this article.

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Englishmen Printed Much Confederate Currency

By Brent Hughes

FOR SEVERAL YEARS BEGINNING ABOUT 1880, THERE WAS a revival of interest in the American Civil War. As career Army and Navy officers retired after 20 or more years of service, they were contacted by book publishers eager to market their memoirs.

Some of these books were actually produced by professional ghost writers who were not above embellishing the war records of their subjects. This practice soon brought howls of protest from other military men who knew better. Newspapers had a field day with their letters to the editors. Confederate veterans in particular became outraged about fictitious accounts of battles they had been in and a lot of name calling resulted.

Eventually the memoir mania subsided, but the public still had an interest in other war activities which newspapers tried to cover. In December, 1896, a reporter for the *New York Sun* learned that the manager of a local printing firm had emigrated from England during the Civil War to take a job printing paper money for the Confederacy. The reporter interviewed the businessman who still had a good memory of events of 34 years before. The resulting article appeared in the December 13, 1896, issue of the *Sun* under the title "Making Rebel Money -- An English Lithographer Tells How It Was Done."

About 1950, Dr. L. Miles Raisig was conducting research on the Confederate Treasury Department in the Brooklyn, N. Y. Public Library when he discovered an old newspaper article. He subsequently published his edited version in the August, 1951, issue of *The Numismatist* magazine. I am indebted to Dr. Raisig for the use of his article.

We will digress at this point to explain the situation which brought the Englishman to America. By the fall of 1861, Confederate Treasury Secretary Christopher Memminger knew that he was caught in an impossible situation. The new government needed massive amounts of paper money but there were virtually no manufacturing facilities to produce it. The South had little printing equipment, few paper mills, few suppliers of ink and related supplies, and few competent engravers and printers.

Memminger sent agents all over the South looking for print shops capable of making paper money quickly. In desperation he turned to a Richmond firm named Hoyer and Ludwig which succeeded in producing a lot of crude lithographs which nobody liked. Counterfeiters quickly copied the low-quality notes and made matters worse.

The decision to move the

Below: As a security measure, the red "Palmetto" stamp was applied to the corner of some sheets of paper used for Confederate notes and bonds. Usually only a portion of the stamp remained after the notes were trimmed from the sheets, as shown on this \$50 note of the 1864 issue (CSA Type 66). English printer John Hodge stated that this stamp was applied by the paper mills in England before the sheets were exported to the Confederacy, but we now know that he was mistaken. The stamp was actually applied by employees of the Confederate Treasury Note Bureau.

Editor's note: When Brent Hughes died several years ago, a number of his articles remained unpublished and on hand. This is one of those.



Confederate capital from Alabama to Virginia had been politically correct but militarily unwise. Richmond was vulnerable to attack by Union forces and Memminger knew that whatever printing facilities he might set up would have to be located farther south. He chose Columbia, S. C. because, as a native of that state, he knew the area well.

The Treasury Secretary decided to call upon several trusted friends from his pre-war days to help solve his problems. Two of them were John Walker and Major Benjamin F. Evans, partners in the well-regarded Charleston printing firm of Walker, Evans and Cogswell.

Essentially cut off from supplies from the North, Memminger realized that almost everything he needed to set up a Treasury Note Bureau in Columbia would have to be imported from Europe. Britain prided itself on being the merchant to the world and was eager to sell the Confederacy whatever it might need. Britain and France both needed cotton to keep their large textile industries running, so they looked favorably on any purchasing agents who came calling. Several, including Walker and Evans, showed up with substantial funds with which to buy supplies and hire printers to man the presses. The rest of our story comes from the newspaper article unearthed by Dr. Raisig.

The young printer mentioned in the article was John Hodge, who in 1862 was only 24 years old but had already been working for eight years as a journeyman printer for a large lithographing firm in London named Straker and Sons. Hodge recalled the company name as Charles Straker and Sons, but Dr. Raisig believes it was actually S. Straker and Sons, a firm which did much business with the Confederacy throughout the war.

Straker was evidently also a distributor for the various suppliers of presses, lithographic stones, inks, paper and the many other things required for large scale production. Executives of the company welcomed Major Evans when he arrived in London and took him on a tour of their plant. Word soon spread among the younger men that Evans was the answer to their long-suppressed desire for adventure. If Evans was hiring printers, they were ready to go.

Hodge said that he went to his superiors and asked if he might meet with Evans to discuss the matter. Straker evidently had a large number of printers and an active apprenticeship program, so they approved the request. Hodge and 10 others were invited to meet with Evans at his hotel where they learned that the job paid \$20 a week in gold plus a generous piece-work bonus. All the men signed contracts and received expense money to cover their journey to America.

The group left London on May 19, 1862, aboard the ship *Leopard of Glasgow*. The vessel had obviously been chartered by Major Evans because the Englishmen and three Confederate officers were the only passengers. The ship was also carrying a large number of crates and barrels with additional cargo being added at Cardiff and Queenstown before it headed across the Atlantic for Bermuda. Major Evans also boarded at Cardiff.

In Bermuda, more cargo was added before the ship left for Nassau in the Bahamas. The Englishmen knew that the most dangerous part of their trip lay ahead, but they had no idea just how hazardous it would be.

In typical fashion, the *Leopard of Glasgow* was unloaded in Nassau, leaving it free to return to England. Getting the men and cargo through the Union blockade ships was the Confederacy's problem. Major Evans, six of the printers and half the cargo were put on the *Antonica*, a specially-built blockade runner. Hodge and four of his friends boarded the *W.M. Seabrook*, a converted river boat. The lighter half of the cargo also went along on the very shallow-draft vessel.

What Hodge and his friends did not know was that Union agents in England, Bermuda and Nassau had been tracking their progress from day one. Union ships off Charleston were alerted and one of them saw the river boat as it approached the South Carolina port. Captain Dan Vincent

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thought he knew a way to avoid capture, but he miscalculated the tides and ended up stuck in the mud in Bull's Inlet, miles from Charleston. With small boats filled with armed Yankee sailors approaching, the ship's crew and the printers got into life boats and rowed toward shore. They soon had to drop into the muddy water and push the boats ahead of them.

Hodge said, "We were 20 miles from Charleston, lost in a wilderness of swamps, and we spent two days toiling through the mud with nothing to eat and little hope of getting out alive. During that time we heartily wished ourselves back in old England, but at the end of the second day we came upon a small encampment of Confederate troops, the Santee Mounted Rifles, and found that we were safe within the Confederate lines. From here we had to walk to Charleston, a distance of 22 miles, over a heavy sandy road, and by the time we reached the city we were as worn and bedraggled specimens as it would be possible to find."

Major Evans' ship made it into Charleston harbor safely, and he was waiting there when Hodge's group arrived. Since they had lost everything back in the swamp, Evans advanced them some money, found them housing and soon had them at work in his plant in Charleston. A short time later he transferred them to Columbia, about a 100 miles north, where Evans & Cogswell had a new printing plant.

Hodge's recollections, narrated to the newspaper reporter 34 years later, understandably contain lapses of memory. Hodge worked as a printer and no doubt heard lots of rumors about the war going on at distant points. He had little access to Treasury Department documents so he reached the wrong conclusions about several matters.

After his eight years of work in what was probably a tightly controlled environment in England, Hodge must have been amazed and appalled at some of the things he witnessed in Columbia. Labor unrest was the order of the day with severe absenteeism, fist fights and drunkenness quite common. The young Englishmen, who had probably enjoyed

the mild beverages in their pubs back home, must have sampled the local corn liquor, which is still popular in rural South Carolina today. Called "white lightning" or "home brew" by the locals, it is famous for its potent "kick."

Nevertheless, it is difficult to believe that Treasury officials would have tolerated the activity described by Hodge as follows:

"One form of laxness which cost the Confederates a large amount of their paper notes was their carelessness in handling the unsigned notes in the offices. The printers were allowed to take these notes in any quantities they liked while at work, and one of the men got in the habit of carrying off five or ten sheets of ten, twenty or fifty dollars notes every day. Of course, it was necessary for him to commit forgery in signing them, but there were so many different signatures on the notes that it was not easy to detect a spurious one, and this enterprising individual had taken some \$200,000 of notes before he was found out. Then he was promptly sentenced to be shot, but this was in 1865 when Sherman was close at hand, and the sentence was never executed. After that, however, detectives were set to watch the men while at

The "Palmetto" stamp was hurriedly applied so most impressions are indistinct. This one, on the wide edge of a Confederate \$1000 bond, is quite sharp and therefore unusual. (Illustration courtesy of Hugh Shull)



work, and a strict accounting was kept."

On the other hand, Hodge confirms the fact that the Englishmen were paid in gold as long as they were employed, just as their contracts had specified when they had been hired. In Columbia it became routine for speculators to gather outside the printing plants on payday where they would offer what Hodge described as "appalling premiums" for the gold coins the Englishmen had just received.

Hodge said that at the peak of activity in Columbia, there were about 75 English printers working for Evans & Cogswell, Keatinge & Ball and Blanton Duncan. He did not mention the small printing plant owned by Dr. J. T. Paterson, perhaps because Paterson became involved in a bitter dispute with Memminger, lost his government contract in April of 1864, closed his plant and went home to Georgia.

It was ironic, to say the least, that each English printer was assisted by two black slave helpers who received no pay at all. They were brought to the printing plant each morning by their owners who picked them up each evening. Thus, in this strange setup, the English printers were paid in gold which was appreciating in value every day, while the native printers and the slave owners were paid in Confederate notes which were losing value every day.

Adding to the confusion was the fact that for a short time, one of the paper money contractors, Keatinge & Ball, designed, printed and issued its own notes redeemable in Confederate bills. This era was a most stressful time for the Treasury Note Bureau.

We now know that Mr. Hodge was mistaken when he stated that all of the paper used in Columbia was made in England and arrived there with each sheet already stamped with the Confederacy's mark, a palmetto tree surrounded by the words "Treasury Department C.S.A." Dr. Douglas Ball tells us that the stamp was applied in Columbia by Treasury employees.

John Hodge closed out his interview with the reporter with these words:

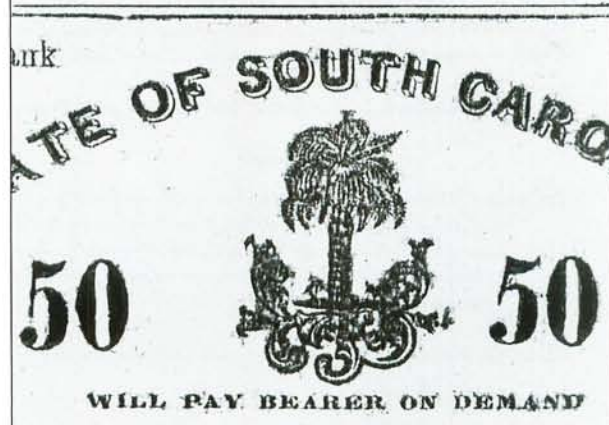
"In April, 1865, when the Confederacy was in its death throes and Sherman's legions were close at hand, the presses had turned out nearly a billion dollars, but on that day the whole output would (have) little more than paid for the three printing establishments. Then I got a pass from Gen. Lovell putting me beyond the Confederate lines and made the best of my way to New York to make money more slowly but in more durable form."

As Dr. Raisig pointed out in his article, Hodge was confused about the date when Sherman's men occupied Columbia. It was actually February, 1865, not April, when the Confederate Treasury Note Bureau was destroyed as Columbia went up in flames.

Hodge apparently liked living in New York after the Civil War. We can guess that many of his friends from Columbia joined him there. He presumably became an American citizen and went on to become a printing plant manager. It is fortunate that the newspaper reporter tracked him down and recorded his memories which otherwise might have been lost forever.



"Palmetto" Stamp

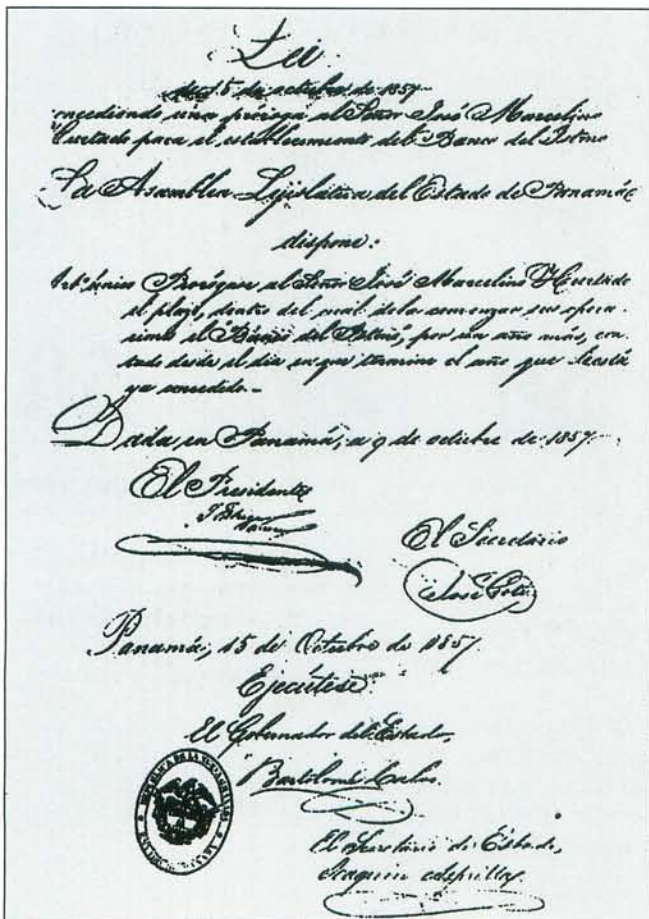


The design of the "Palmetto" stamp may have been an adaptation of the tree on this 50-cent note of the Bank of the State of South Carolina. (Note illustration courtesy of Spartan Collectibles)

The First Attempt to Establish a Bank in Panama

By Joaquin Gil del Real

The Lei (Law) authorizing the establishment of public banks in Panama.



ON JANUARY 24TH, 1848, GOLD WAS DISCOVERED IN California. By 1852 thousands of travellers had crossed the Isthmus of Panama in search of their fortunes in the Golden State. Meanwhile, two businessmen, Henry Wells and William Fargo, who two years earlier had helped found the American Express Co., seeing the growth of transportation to and from California, organized, on March 18th, 1852, Wells, Fargo & Co. Four months later, on July 13, 1852, the new company opened its first office on Montgomery Street in San Francisco.¹ Within its rapid transport operation, the company offered banking services such as the exchange of gold or dust for coin, drafts and also short term loans to local businessmen.²

Recognizing the strategic position of Panama, Wells, Fargo & Co. asked the Pacific Mail Steamship Co. for recommendations of responsible firms that could represent the company on the Isthmus. The shipping firm recommended Hurtado and Hermanos, one of the largest transportation outfits in Panama, with the greatest number of mules. In December of 1852, Wells named Hurtado and Hermanos (Sons) its Agents and Representatives.³ Traveling to California in January 1853,⁴ founder Henry Wells crossed the Isthmus and confirmed the correctness of the company's choice of representatives. Wells wrote January 17, 1853:

"... I have found our Agents the very best men on the entire route -- men of the highest standing & great energy -- Hustard (sic) & Co. the first house in this city of course I am much pleased with them.

He also personally advised his representative in the complexities of banking services.⁵ On a more curious note, in a narrative of her trip through Panama in 1852, Mrs. Cornelius Cole says, "With my faster mule I soon left my companions. This was not my intention, but as the owner (Wells Fargo Agent) charged me, let the mule have his own way and he (or it) will get you safely into Panama."⁶ Hurtado and Hermanos represented Wells Fargo & Co. until the end of 1856.

On the February 27th, 1855, the Senate and the

Chamber of Representatives of the Republic of New Granada (name of Columbia from 1843 to 1858), meeting in Joint Session decreed an Addenda to the Constitution of the Republic, whereby the State of Panama was created,⁷ beginning an experiment in the Federal system of government (much like the United States) that lasted for 30 Years, until 1885. As such, Panamanians became the owners and architects of their own destiny.⁸

A year and a half after its creation, the Legislative Assembly of the State of Panama approved the Lei (Law) of October 12, 1856, "regarding the establishment of public banks," that clearly enumerated in Article 4 those operations to which a Bank must limit itself:

1. To receive deposits in metal or paste or coinage, maintaining a current account for each depositor,
2. To purchase precious metals, in paste or coinage and to export and import for account of the Bank,
3. To discount promissory notes or other endorsable items, charging interest not to exceed one per cent per month on the discounted sum plus one-half percent by way of commission,
4. To the purchase, draft and acceptance of letters of exchange and letters of credit,
5. To advance funds on merchandise and fruits that are exported abroad, without said export in any case being done for account of the Bank,
6. To issue bills, payable to bearer, in compliance with what the present law allows on the matter.⁹

10

That same year, on December 12th, José Marcelino Hurtado (partner of Hurtado y Hermanos, and member of one of the wealthiest families on the Isthmus) resigned his position as Secretary of State, to devote his efforts to a "... multitude of private matters,"¹¹ and a few days later, on January, 20th, 1857, solicited a Patent or License for "The establishment of a Bank."¹² The application was approved and on February 3rd, he was advised to proceed with the mortgaging of two properties, so as to guarantee the emission of \$60,000 pesos in bank notes. The following day, in the presence of Jose Brigido Martinez, First Notary, he pledged: "I mortgage two houses, of my property, located in this city, one on the Calle de la Muralla" (Street of the Wall -- Panama had been a walled city in the time of the Spaniards), and "the other on the Street of Commerce (today 6th Street)."¹³

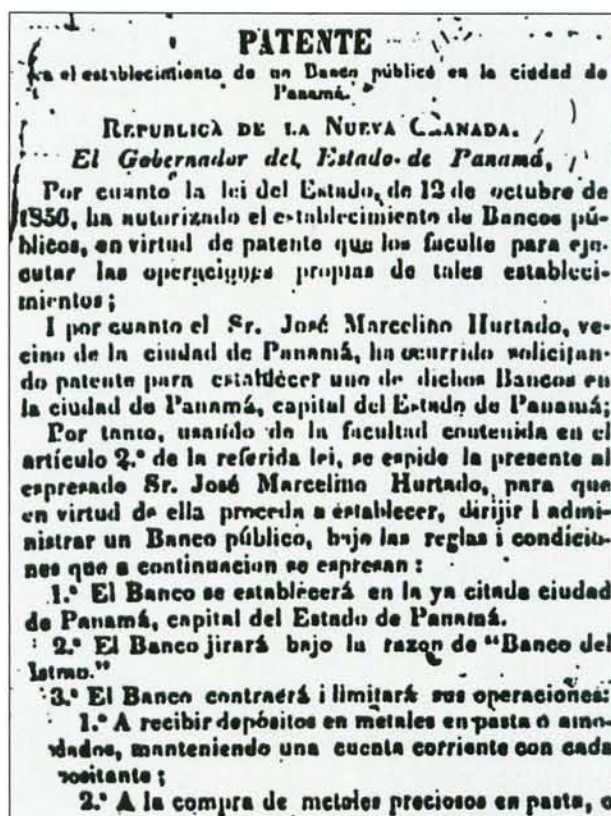
The Patente (license) for the establishment of the Bank was granted on February 5th, 1857, and appeared in the *Gaceta del Estado*, Number 74 of the same date. The bank was to be called, "Banco del Istmo" and would issue the following bills:

Series 1a	5,000	one peso	\$5,000
Series 2a	5,000	two pesos	10,000
Series 3a	3,000	five pesos	15,000
Series 4a	1,500	ten pesos	15,000
Series 5a	200	twenty-five pesos	5,000
Series 6a	200	fifty pesos	10,000

Total to be issued \$60,000

No more was heard from Mr. Hurtado and his bank until October 15th, 1857, when the Legislative Assembly approved a law of that date whereby a one year extension was granted to him for the establishment of his bank.¹⁴

For unknown reasons, the Bank never crystalized and on March 9, 1859,



Publication of the Patente (License) in the *Gaceta del Estado*, February 5, 1857, authorizing Sr. José Marcelino Hurtado to establish a public bank in the Isthmus.

Mr. Hurtado requested the cancellation of the mortgages on his properties in that "The Patente (license) for the establishment of a public bank has remained without effect," and the "and issuance of bills did not take place in that the bank was not in operation for an instant."¹⁵

So began and ended the first attempt at establishing a Bank in Panama.

Notes

- 1 *Since 1852*. Historical Services, Wells Fargo & Company. San Francisco, California (1996), pages 3-5.
- 2 *Ibid.* Cooper Wright, Benjamin. *Banking in California 1849-1910*. H.S. Crocker, Printers, San Francisco. (1910), pages 15-47.
- 3 *Wells Fargo Banker*, Vol. 10 Number 7, 1972, San Francisco, CA, pages 8-9.
- 4 *Panama Star*, Thursday, January 30, 1853. "We observe among the passengers from the United States, Mr. Wells, of the well known express house of Wells Fargo & Co. . . ."
- 5 *Truly Yours: Henry Wells*. Letters written by Henry Wells. Wells College. Aurora, NY (1945), pages 3-7.
- 6 Cole, Mrs. Cornelius, *To California via Panama, 1852*. Historical Society of Southern California Vol. IX, Part III, McBride Printing Corp., Los Angeles, CA (1914).
- 7 By this Decree, whereby the Constitution was added to, began an experiment that was to last 30 years in the Federal system of government, emulating that of the United States of America. A number of different States were created, and some even had the power to emit currency or coinage. In 1885, President Rafael Nunez terminated the experiment. Colombia returned to a highly centralized government in Bogota and Panama reverted to a Department of the Republic.
- 8 Goytia, Victor F. *Las Constitucion de Panama*, Segunda Edicion, Litografia e Imprenta Lil, San Jose, Costa Rica (1987).
- 9 *Gaceta del Estado*, Numero 60, 16 de Octubre de 1856.
- 10 At that time in the Isthmus there were no Banks *per se*. There were commercial houses, that within their services did represent Banking and Commercial houses from other latitudes and did call themselves "Bankers." These generally bought metal and issued their own drafts on supposedly reputable houses. They also supplied groceries, acted as ships chandlers and participated in any business that generated a profit. (*The Panama Star*, Friday, November 15, 1850)
- 11 *Gaceta del Estado*, Numero 71, 15 de Enero de 1857.
- 12 Archivo Nacional de Panama, Seccion de Historia, Periodo Colombiano, Cajon 817, Tomo 1314, Folio 21.
- 13 Archivo Nacional de Panama, Seccion de Notarias, 1857, Notaria Primera, Escritura Numero 31, Folio 93.
- 14 Archivo Nacional de Panama, Seccion de Historia, Periodo Colombiano, Cajon 866, Tomo 3099.
- 15 Archivo Nacional de Panama, Seccion de Notarias, 1859, Notaria Primera, Escritura Numero 49, Folio 156. ❖



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Only Documents, Intentions Remain

Failed Attempts to Establish Banks in Late-XIXth Century Panama

By Joaquin Gil del Real

BY 1875 THERE WERE NO BANKS IN PANAMA, THAT IS, NO one with a Banking License (*Patente*). On December 30th of that year, the Constituent Assembly (replacing the normal Legislative Assembly while re-writing the Constitution) approved Law Number 26, "Authorizing the Executive to celebrate a contract for the establishment of a Discount and Circulation Bank in the city of Panama." ¹ An interesting note to this legislation was that it not only continued with the traditional authorization to issue Bank Notes, but Article 18 stated: "That in those documents regarding mortgage obligations" this being the first time that a bank was authorized to issue a mortgage.

However, not much resulted from the Law at that time, since Panama was still suffering from a prolonged recession, resulting from the linking of the Transcontinental Railroad, at Promontory Point, Utah, on May 10, 1869, which negated Panama's unique geographical position in the transportation of people and cargo East to West, and vice versa.

On January 23, 1879, the National Executive in Bogota, sent a letter to the Secretary of State in Panama, requesting information regarding the number of banks established in the Isthmus. In the margin of the letter, which was used for comments to be made for replying to same, the following observation is made: "There does not exist in the State, any bank or credit establishment." ²

By 1879, economic life in the Isthmus began to show signs of improvement, with the French efforts to dig a canal. In January of 1881, the Law of 1875 was reformed, so that the amount of bank bills to be issued could not exceed triple the effective capital. ³ A few days later, on January 31st, 1881, Law 41 was promulgated, authorizing the Executive to celebrate a Contract, specifically, with Mr. Miguel Labarriere, for the establishment of Banco del Estado de Panama. ⁴ The Contract was signed one year later on January 25, 1882, identified as Number 3 of 1882. ⁵ Here, the State would participate directly by emitting \$50,000 pesos in Treasury Bills as its contribution to the bank's capital. ⁶ However, for reasons unknown, the Bank failed to materialize.

In 1876, Lt. Lucien Napoleon Bonaparte Wyse, a member of that family, had been sent to Panama, by the Societe Civil International du Canal Interocéanique to investigate a possible canal route. He had also negotiated a

Los suscritos, a saber: José María Vives Leon,
 Secretario General de Estado, en nombre del
 Gobierno del Estado, y en cumplimiento
 de la autorización consignada en el artículo
 1.º de la Ley N.º 41, fecha 31 de Enero de
 1881, por una parte; y Miguel Sábaro Labarriere,
 por el otro, han celebrado el siguiente
 contrato:

1.º Miguel S. Labarriere se compromete a es-
 tablecer un Banco en esta ciudad, con la deno-
 minación de "Banco del Estado de Panamá",
 cuya finalidad por principal objeto el sostenimiento
 del crédito del Estado, y el progreso de su
 industria y comercio, bajo las bases que van
 a expresarse:

2.º El capital del banco será, por ahora, a
 reserva de aumentarlo, según el desarrollo de
 sus operaciones, el de doscientos mil pesos \$200.000-
 que se formará: 1.º, con la suma de cincuenta mil
 pesos, en dineros efectivos, que se avanzarán por par-
 te de Miguel S. Labarriere, o la Compañía o
 sociedad anónima que forme; 2.º cincuenta mil
 pesos en billetes de Tesorería, que debe allegar el
 Gobierno del Estado, conforme a lo dispuesto en el
 artículo 5.º de la ley citada; y 3.º, con cien mil pe-
 sos que allegará la misma sociedad anónima,
 dentro del término de seis meses después de estable-
 cido el Banco.

3.º El "Banco del Estado de Panamá", co-
 menzará sus operaciones, que serán las de ba-
 jar por sí mismo, o por cuenta de terceros o en
 participación, tanto en el Estado, como fuera de

Contract signed by Mr. Miguel
 Labarriere for the establishment of
 Banco del Estado de Panama.

contract with the Colombian
 Government for the execution of a
 canal. The so-called Wyse concession
 was sold to Count Ferdinand
 DeLesseps and his Canal Company.⁷
 On March 9, 1881, Lucien requested
 authorization to establish the Banco
 Internacional del Istmo⁸, and on the
 13th of that month signed the corre-
 sponding documentation.⁹

At the same time, Amador
 Guerrero Hnos. (Manual Amador
 Guerrero, M.D, was the first President
 of the Republic of Panama and a mem-
 ber of this Company) also requested
 authorization to establish a bank and
 was granted a contract, which was
 approved, as was Mr. Wyse's, by means
 of Law 46 of June 17, 1881.¹⁰

Unfortunately both gentlemen
 suffered delays in the establishment of
 their respective enterprises and the fol-
 lowing year their requests for exten-
 sions were denied due to their expira-
 tion by Citizen President Rafael
 Aizpuru.¹¹

Economically, there was prosperi-
 ty on the Isthmus, primarily due to the
 French efforts at canal digging. In 1884
 there were new attempts to establish
 banks in Panama. On the 14th of
 March, a contract was signed with Juan
 C. Stevenson for organizing the Banco
 del Istmo de Panama in the City of
 Colon.¹² That same year, Miguel
 Labarriere reappeared signing a con-
 tract which "... have convened in
 restoring Contract Number 3 of 25
 January 1882."¹³ to establish the
 Banco del Estado de Panama. But here
 again, we have not been able to ascer-

tain why none of these efforts came to fruition.

By the end of 1885, the Federal System of government was abolished,
 after 30 years, and Panama reverted to being a Department of the Republic of
 Colombia. On August 20th of the following year, the Amador Guerrero's
 interests reappear when M. Amador Guerrero, representing the commercial
 firm, signed a contract for a bank,¹⁴ but six months later, on March 1, 1887,
 he sent a memorandum to the Governor of the Department in which he indi-
 cated, "Many months have elapsed since the Supreme Government has decided
 nothing on this matter...", and solicits that the contract be rescinded.¹⁵

Additional attempts were made. The National Legislative Council in
 Bogota approved Law 21 on February 14, 1888, the only article of which
 authorizes contracting for the establishment of a bank on the Isthmus of
 Panama¹⁶ which immediately took place through Contract Number 2 of
 1888, with Mr. Juan N. Reed.¹⁷ Once again the mystery continues, as we are

unable to find out why this never came to pass.

It would only be fair and appropriate to clarify, however, that since the beginning of traffic through the Isthmus in 1848 brought on the social and economic development of Panama, innumerable commercial enterprises dedicated to the business of banking in one form or another did exist. However, with the exception of the Banco de Perez y Planas [1861] (see *Paper Money*, #188, page 48), The Exchange Bank of Colon [1866] (see *Paper Money*, #215, page 294) and the Banco de Panama [1869] (see *Paper Money*, #220, page 232), none other received a *Patente* or License to operate as a bank.

Most were businesses dedicated to ship's chandling (provision dealer), victuals, dry goods, and most included a section within overall operations, dedicated to banking matters, such as the purchase and sale of drafts, promissory notes, and traffic in precious metals. Most had commercial relations with other houses in major cities around the world. It would be negligent on our part if we did not at least mention some of these firms:¹⁸

American Trade Development Co. (Ramon Arias F.)
 Brandon and Bros. (Alexander Morrice)
 Ehrman & Co. (Felix and John Ehrman)
 Fidanque & DeCastro (M. Fidanque)
 Antonio Guerra
 Hazera y Mejia
 Maduro e Hijos



A letter by Lucien Napoleon Bonaparte Wyse proposing to set up a bank, published in the *Gaceta de Panama* March 13, 1881.

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Above: Ehrman & Co. executives in 1895. Below: Ehrman's listing in the 1898 *Panama City Directory* published by Francisco Posada *Star & Herald*.

and many, many more.

NOTES

- 1 *Gaceta de Panama*, Numero 241, 12 de Enero de 1876.
- 2 Archivo Nacional de Panama, Seccion de Historia, Periodo Colombiano, Cajon 873, Tomo 2678.
- 3 Archivo Nacional de Panama, Seccion de Historia, Periodo Colombiano, Cajon 874, Tomo 2714
- 4 *Gaceta de Panama*, Numero 577, 10 de Febrero de 1881
- 5 *Gaceta de Panama*, Numero 662, 7 de Marzo de 1882.
- 6 *Gaceta de Panama*, Numero 689, 8 de Junio de 1882
- 7 Otis, F.N., *Illustrated History of the Panama Railroad*. Socio-technical Books, Pasadena California (1971).
- 8 *Gaceta de Panama*, Numero 585, 13 Marzo de 1881.
- 9 *Gaceta de Panama*, Numero 588, 27 de Abril de 1881.
- 10 *Gaceta de Panama*, Numero 598, 17 de Junio de 1881.
- 11 *Gaceta de Panama*, Numero 699, 13 de Julio de 1882.
- 12 *Gaceta de Panama*, Numero 892, 15 de Marzo de 1884.
- 13 *Gaceta de Panama*, Numero 891, 11 de Marzo de 1884.
- 14 *Gaceta de Panama*, Numero 25, 20 de Agosto de 1885.
- 15 *Gaceta de Panama*, Numero 23, 15 de Mayo de 1887.
- 16 *Gaceta de Panama*, Numero 133, 24 de Marzo de 1888.
- 17 *Gaceta de Panama*, Numero 142, 25 de Abril de 1888.
- 18 *Canal Zone Pilot, Guide to the Republic of Panama* (1908). *Isthmian Tourists Guide* (1913). *La Estrella de Panama* (various years). ♦

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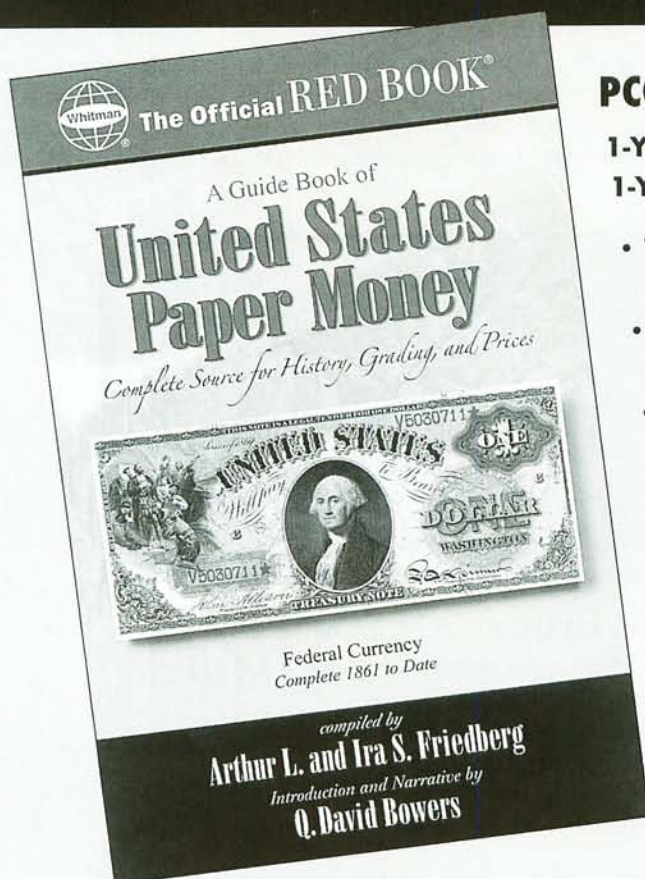
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Courtesy Autographs on Fractional Currency

By Benny Bolin

FRACTIONAL CURRENCY WAS ISSUED DURING THE TIME OF THE CIVIL WAR TO COMPENSATE for the lack of circulating coins due to hoarding. Today, there are a number of these notes that exhibit courtesy autographs of treasury officials. Some of these autographs are of the period when the notes were actually issued. But many are signed by officials who were in office much later, so it is obvious that collectors used them as autographed souvenirs when meeting these officials. Who were these autographers and when did they work for the government? (Illustrations courtesy of Heritage/CAA)



Blanche K. Bruce

Born into slavery near Farmville, Prince Edward County, VA, March 1, 1841

Died March 17, 1898, in Washington, DC

U. S. Senate March 4, 1875, to March 3, 1881

Register of the Treasury 1881-1885 and 1897-1898

Bruce was the first African American to serve a full term in the United States Senate.



John Burke

Born February 25, 1859, in Keokuk County, IA

Died May 14, 1937, in North Dakota

Governor North Dakota 1907-1913

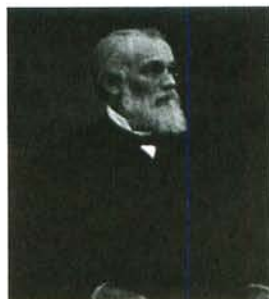
24th Treasurer April 1, 1913, to Jan. 5, 1921

Burke is responsible for well over half of the courtesy autographed fractional currency notes known.

Spencer Morton Clark

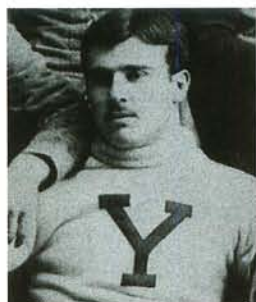
Born June 3, 1811, in Brattleboro, VT
 Died December 10, 1890, in Washington DC
 1856 chief clerk BEP
 1860 named 1st Superintendent BEP

There is only one Clark courtesy autographed note known, a third issue five-cent Clark note.



James Gilfillan

Born Bannock-burn, Scotland, on March 9, 1829
 Died 1894
 Chief Justice of Minnesota Supreme Court 1869-1870 and 1875-1894
 Treasurer July 1, 1877, to March 31, 1883



Lee McClung

22nd Treasurer Nov. 1, 1909, to Dec. 21, 1912
 Attended Yale and played on the football team
 Inducted into the College Football Hall of Fame in 1963 (82 years later)
 There is a third issue set with five, ten, fifteen (Grant/Sherman)
 twenty-five and both Spinner and Justice fifty cent notes with his
 autograph. Previously owned as a set by Milt Friedberg and Tom O'Mara,
 they are now owned by a prominent dealer.



Daniel Nash Morgan

Born 1844 in Fairfield, CT
 Treasurer June 1, 1893, to June 30, 1897



James Carroll Napier

Born 1845 in Nashville, TN

Register of the Treasury March 15, 1911, to Sept. 30, 1913

Napier was the first Black man to preside over the Nashville city council.



John Chalfant New

Born New Vernon, IN on July 6, 1831

Died June 4, 1906 in Indianapolis, IN

Treasurer June 30, 1875, to July 1, 1876

Assistant Secretary of Treasury 1882-1884



Gabe E. Parker

Choctaw Indian; born 1878, died 1953

Helped design the seal of the state of Oklahoma

Register of the Treasury Oct. 1, 1913, to Dec. 31, 1914

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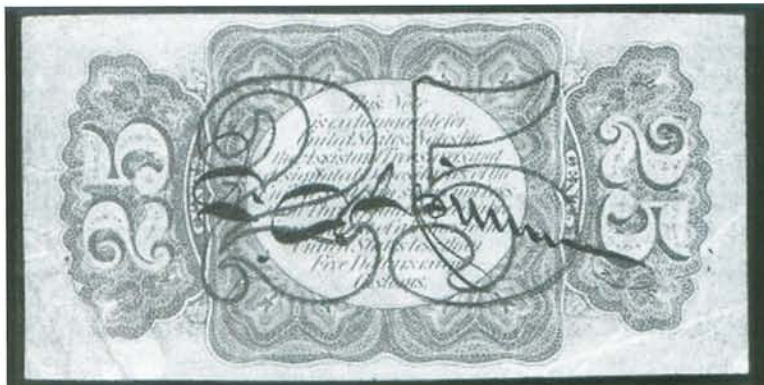
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Francis Elias Spinner

Born Jan. 21, 1802, in Mohawk, German Flats, NY

Died Jacksonville, FL on Dec. 31, 1890

U.S. House of Representatives 1855-1861

U.S. Treasurer March 16, 1861, to July 1, 1875

"Father of Fractional Currency"

There are three known courtesy autographs of Spinner.

All three are on third issue red back 25-cent Fessenden notes.



Houston Benge Teehee

Citizen of the Cherokee Nation

Born October 14, 1874, Sequoyah District, Cherokee Nation

Register of the Treasury March 24, 1915, to Nov. 20, 1919

Of note is that he got this position at a time when

Native Americans were not even granted legal citizenship.



Carmi Thompson

Born Sept. 4, 1879, in Wayne County, WV

Assistant Secretary of the Interior March 31, 1911, to July 1, 1912
 Secretary of the Interior July 1, 1912, to Nov. 20, 1912
 23rd Treasurer Nov. 22, 1912, to March 31, 1913
 Thompson was the second most prolific autographer of fractional currency,
 but ranks far behind John Burke.



Frank White

Born Dec. 12, 1856, Stillman Valley, IL
 Died March 23, 1940, in Washington, DC
 Governor of North Dakota 1901-1905
 Treasurer May 2, 1921, to May 1, 1928



Albert U. Wyman

Born 1833; died 1915
 14th Treasurer July 1, 1876, to June 30, 1877 and
 April 1, 1883, to April 30, 1885

SIZE MATTERS, SO

THINK SMALL

The First National Bank of Saint Charles, Missouri

A brief history of the town, the bank,
and the men who made it possible.

By Craig J. Dickherber

S AINT CHARLES, MISSOURI IS LOCATED TWENTY MILES northwest of Saint Louis on the Missouri River in Saint Charles County. It was founded in 1769 by Louis Blanchette, a French Canadian fur trader. Blanchette named the town Les Petit Cotes (The Little Hills). This was the first settlement along the Missouri River, and only the second settlement west of the Mississippi River. In 1791, while under Spanish control, the town's name was changed to San Carlos.

Then in 1804, after title was transferred to the United States government as part of the Louisiana Purchase, the name of the town was anglicized to its present name, Saint Charles. Missouri entered the union under the terms of the Missouri Compromise on August 10, 1821, and Saint Charles was designated as the temporary capital of the new state. Saint Charles served as the state capital until October 1, 1826, when the capital was moved to its permanent location in Jefferson City.

Saint Charles County was well adapted to agricultural purposes with the ground being rich and fertile. The timber in the area was in great abundance. In addition, limestone for building could be found everywhere. Apple, peach, and pear trees were scattered across the countryside; wild game and fish were in plentiful supply. Coal was found in the 1830s, and a mine for local trade was operated on the land of Edward C. Cunningham.

By 1860 the population of the county had reached 14,313 people with a third of those residing within the City of Saint Charles. The assessed value of the

improved property within the city was \$794,720 which generated \$6,429 in taxes. Public schools enrolled 130 pupils and two teachers were employed. The City of Saint Charles was advancing much more rapidly than ever before. The need for a banking establishment to be organized under the new National Banking laws became essential.

The First National Bank of Saint Charles was organized with a capital of \$50,000. It was the only bank organized in the City of Saint Charles and Saint Charles County under the National Banking laws during the currency issuing period. On December 16, 1863, the Articles



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Small Currency	6-5/8" x 2-7/8"	\$23.50	\$45.00	\$200.00	\$375.00
Post Card	6-5/16" x 4"	\$25.50	\$48.50	\$215.00	\$400.00
Large Currency	7-7/8" x 3-1/2"	\$26.50	\$49.50	\$220.00	\$410.00
Auction	9 x 3-3/4"	\$29.00	\$53.00	\$250.00	\$450.00
Foreign Currency	8 x 5	\$33.00	\$60.00	\$275.00	\$485.00
Checks	9-5/8 x 4-1/4"	\$33.00	\$60.00	\$275.00	\$485.00

SHEET HOLDERS

SIZE	INCHES	10	50	100	250
Obsolete Sheet					
End Open	8-3/4" x 14-1/2"	\$20.00	\$88.00	\$154.00	\$358.00
National Sheet					
Side Open	8-1/2" x 17-1/2"	\$21.00	\$93.00	\$165.00	\$380.00
Stock Certificate					
End Open	9-1/2" x 12-1/2"	\$19.00	\$83.00	\$150.00	\$345.00
Map & Bond Size					
End Open	18" x 24"	\$77.00	\$345.00	\$625.00	\$1425.00

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of Association and adopted by-laws for Charter #260 were signed in the town hall by the stockholders.

These 106 prominent citizens, listed in **Table One**, included many government officials: Edward C. Cunningham; Sheriff Benjamin Emmons; Circuit Court Clerk Fred W. Gatzweiler; County Court Judge Theodore Bruere; the Saint Charles City Attorney, Saint Charles Public School Board Secretary, and a future State Senator. Valentine Koch, Fred Heye, John H. Senden, George H. Senden, and Charles Hug were all councilmen for the City of Saint Charles. At this stockholders meeting, the Board of Directors was elected, and bank officers were appointed.



FNB of Saint Charles in 1863

From the time of its organization the bank was located on the northeast corner of Main and Jefferson Streets. The original building was built as the home of Ezra Overall in 1852. Overall moved his living quarters to the upstairs of the building and the banking business was conducted on the ground floor. The first year's rent of the building was \$200, and it was furnished with used furniture and fixtures purchased from the Southern Bank of Saint Louis at the cost of \$800.

This building served as the home of the bank for 48 years, with major alterations from time to time -- including repairs from a tornado that partially destroyed the building on February 27, 1866, and a new

TABLE ONE			
Original Board of Directors			
Eugene Gauss	Valentine Becker	F. W. Gatzweiler	
Charles Hug	Ezra Overall	Theo. Bruere	
	R.A. Walton		
Original Stockholders			
Alderson, Benj.	Gatzweiler, F.W.	Klune, John H.	Pfortner, Henry
Alexander, Jos. H.	Gibbs, Wm. P.	Kempf, Quinia	Platz, John
Angert, Adam	Hess, Chas. E.	Kuhlhoff, John	Reed, Nathaniel
Angert, Henry	Heuser, Christian	Klare, Henry	Redmon, John W.
Becker, Valentine	Hollrah, Jno. D.	Klaustermeier, Chas. H.	Ross, R.G.
Berckman, Henry	Hunning, August	Klinghammer, Geo.	Ruenzi, Abraham
Berlekamp, Jno. F.	Hess, Frank	Lewis, Edw. A.	Runge, Theo.
Blase, Aug. F.	Hug, Chas.	Lutholf, Jos.	Sachse, Edw.
Borgmann, Henry	Hilger, Edw.	Linnemann, C.D.	Sandfort, Henry J.
Boyce, Clement	Hodapp, Clement	Mallinckrodt, Herman	Schaber, Jacob
Breker, Phillip	Hodapp, Wendelin	Mollinhardt, Francis	Schaeffer, Ernestine
Britton, Jas. H.	Heye, Fred	Mittelberger, Jno. C.	Senden, Geo. H.
Bruere, Gustave	Hammes, Stephen	Meyer, John H.	Senden, John H.
Bruere, Theo.	Huncker, Charles H.	Nolle, Ernest	Stonebraker, Jno. E.
Bruns, Henry H.	Hilbert, John	Mittendorf, Jno. H.	Thro, Emile
Cunningham, E.C.	Hund, Henry	Nolle, Ernst H.	Thro, Jno. B.
Dennigmann, Herman	Haake, Anton	Maertens, Wm. H.	Vogel, William
Dolan, John	Hausam, John	Metz, Fred H.	Walton, Robt. A.
Edward, W.E.	Johanpeter, Herm.	Oehri, Geo.	Watson, Sam S.
Emmons, Benj.	Kemper, Adolph	Overall, Ezra	Weber, Jno.
Fetsch, Peter M.	Kemper, Henry	Overall, Asa N.	Weeke, Chris
Flohr, Frank F.	Krekel, Arnold	Orrick, John	Wiedy, Henry
Garvin, Alexander	Klinger, Geo. A.	Oberkoetter, Frank	Wilke, Herman
Gauss, Eugene	Koch, Valentine	Orrick, Jno. C.	Williams, Martin
Grant, Richard	Kremer, F. X.	Oser, Jos.	Windmeuller, Henry
Gronefeld, Henry	Kohlenhofer, Henry	Pieper, Henry F.	
Grupe, Edw.	Kuhlmann, Herman	Parks, Robert H.	

stone front in 1881, which considerably modernized the bank's image.

In June, 1911, the original building was razed and the present two story bank and office building was erected. This building was designed by architect Albert B. Groves and constructed by the Sutherland Building Co., both of St. Louis. This banking house included burglar proof vaults and safe deposit boxes. The interior was lined with Italian marble wainscoting and Tennessee marble floors.

Eugene Gauss was appointed President of the First National Bank of Saint Charles on December 16, 1863. He was the son of Carl Gauss, a man known for making great breakthroughs in both math and physics. Eugene was born in Gottingen, Germany, on July 29, 1811. He came to the United States in 1830 after studying law at the University of Gottingen. Gauss arrived in Philadelphia with no money or prospects and enlisted in the army. He was sent to Fort Snelling, the farthest outpost of the time, located in what now is Minnesota. Eugene Gauss fluently spoke French, and the army used him as a translator.

After his discharge he worked for the American Fur Company where he learned to speak the language of the Sioux Indians. Like his father, Eugene had a remarkable facility for numerical equations. He was said to be able to remember long strings of numbers for days at a time, and able to compute complicated mathematical equations in his head. Gauss served on the original board of directors and held the position of President from 1863 until 1870.

John E. Stonebraker served as the original Cashier of the FNB of Saint Charles. Stonebraker was born in Maryland on June 1, 1826. Stonebraker attended not only ordinary schools, but took courses at the Franklin Institute of Pennsylvania and studied bookkeeping. He was, therefore, more than well qualified for those times. At the age of 21, he took a job at Collier Flouring Mills in Saint Charles as a bookkeeper and maintained that position until 1851. At that time he became an equal partner with a Mr. Gibbs in the St. Charles Woolen Mills. In 1856 he sold out at a substantial profit. He then ran a mill for the manufacturing of walnut lumber and other hardwoods.

Stonebraker was a stockholder of the Saint Charles Branch of the Southern Bank of Saint Louis, and served as Cashier at that location for four years. The Southern Bank of Saint Louis was the original of the Third National Bank of Saint Louis, Charter #170. Stonebraker was instrumental in the organization of the First National Bank of Saint Charles and served as Cashier from December of 1863 until the



Eugene Gauss, 1863-1870

**THE FOLLOWING IS A COPY OF THE FIRST
STATEMENT PUBLISHED BY THE BANK, MADE AT
THE CALL OF THE COMPTROLLER OF CURRENCY
AT THE CLOSE OF BUSINESS MARCH 24, 1870**

Resources	
Loans and Discounts	\$ 82,081.52
U.S. Bonds to secure circulation	50,000.00
Furniture and Fixtures	1,050.00
Current Expenses	575.50
Due from National Banks	9,298.44
Cash Items, viz.: Rev. Stamps	325.00
Coin	570.00
Treasury Notes	10,467.00
National Bank Notes	950.00
Fractional Currency	334.78
	<hr/>
	\$ 155,652.24
Liabilities	
Capital Stock	\$ 50,000.00
Surplus Fund	6,500.00
Interest and Exchange	1,475.73
Profit and Loss	5,520.00
Individual Deposits	49,411.51
Circulation	42,745.00
	<hr/>
	\$ 155,652.24

I, **Jno. E. Stonebraker**, Cashier of the First National Bank of St. Charles, Mo., do solemnly swear that the above statement is true, to the best of my knowledge and belief.

Jno. E. Stonebraker, Cashier.

Subscribed and sworn to before me this 9th day of April, 1870.

Chas. E. Hess, Notary Public.

Correct, Attest:

C. Hug,
Theo. Bruere,
Ezra Overall



Valentine Becker, 1870-1884



William W. Kirkpatrick, 1884-1889

end of March 1864, and again from 1869 until 1888.

In a letter dated March 31, 1864, Eugene Gauss wrote to his son of Stonebraker giving his resignation as cashier, stating Joseph H. Alexander was hired as Stonebraker's successor. Gauss states that Alexander is so little aquatinted with the business that he will have to stay in the bank for a week or two before Alexander will be able to get along by himself.

Joseph H. Alexander remained Cashier of the First National Bank until the organization of the Union Savings Bank in which he became a stockholder and elected Cashier in 1869. He was born in Baton Rouge Parish, Louisiana, on February 29, 1828. At the age of 10, Alexander had still not learned the alphabet -- not enrolling in school until later in age. He came to Missouri in 1843. He became qualified to teach school and attended college in Saint Charles.

He studied law after leaving college and was admitted to the bar in 1850. Immediately following his admission to the bar, he entered a partnership with the Honorable Robert Parks. In 1853 Parks retired and Alexander formed a partnership with the Honorable Edward A. Lewis, a leading lawyer at that time, who later became the Chief Justice of the Saint Louis Court of Appeals. Alexander withdrew from the legal profession altogether when he accepted the position of cashier in 1864.

Valentine Becker, the second President of the First National Bank, was born in Darmstadt, Germany, on June 16, 1816. He was the son of John Becker, a successful merchant and distiller. In 1832 Valentine Becker went to Paris, France, where he obtained employment in a brewery. Becker came to the United States in 1841 and for two years worked in a brewery in Saint Louis.

Becker made his permanent home in Saint Charles in 1844. He was in a merchandising partnership with F. W. Gatzweiler for about five years and then engaged in business by himself. Becker built and owned several residences in the city and owned several successful farms in the county. He was one of the leading organizers of the First National Bank and held the position of President for 15 years (1870 to 1884). Becker was also an organizer of the Saint Charles Mutual Fire Insurance Company, the Saint Charles Car Works, and was president and a leading stock holder in the gas company.

William W. Kirkpatrick, born in Saint Charles June 11, 1837, was a longtime stockholder in the First National Bank. He was elected Vice President in 1880 and held that position until January of 1884 when he became President. He remained President until 1889. Kirkpatrick was successful at establishing a grocery store, and dealt in stocks and real estate. Kirkpatrick had a history in county government being elected County Assessor in 1872 and at the end of that term appointed to Deputy County Collector.

He was also Vice President of the Novelty Manufacturing Company and a director of the Saint Charles Tobacco Company, both of which he was a substantial stockholder. Kirkpatrick and Stonebraker were among the leading land owners in Saint Charles County, owning 2,600 acres jointly. Kirkpatrick and

Statement of Condition May 1886

Resources	
Discounts	\$ 104,850.17
Bonds to secure circulation	50,000.00
Bank Furnishings & Fixtures	11,350.00
Due from Banks	33,241.03
Cash on Hand	22,656.03
	<u>\$ 222,097.23</u>
Liabilities	
Capital	\$ 50,000.00
Surplus	15,000.00
Undivided Profits	4,929.49
Deposits	107,177.74
Circulation	44,990.00
	<u>\$ 222,097.23</u>



Benjamin F. Becker, 1889-1900



Edward Gut, 1900-1908



Henry Angert, 1908-1922

Stonebraker are believed to be the first men in the state of Missouri to use traction steam engine gang plows for the breaking up of their land.

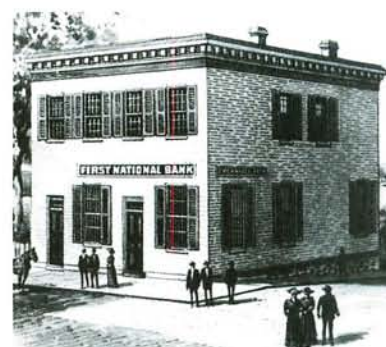
Benjamin F. Becker, the son of Valentine Becker, born in Saint Charles on December 29, 1851, was educated at the college in Saint Charles and Christian Brothers College in Saint Louis. Becker was a partner in the firm of Rechtern and Becker, dealers in groceries, dry goods, boots and shoes. The firm occupied a large building with a sales floor of over 4,000 square feet on which one of the best and most complete stocks of goods was displayed. Annual sales on average were in excess of \$40,000. He served as President of the First National Bank from 1889 to 1900.

Edward Gut served as FNB's President from 1900 to 1908. He had previously been Vice President of the bank from 1891 to 1900.

Henry Angert, born in Saint Charles, November 7, 1845, received his business training when he entered the grocery store of Henry B. Denker as a clerk at the age of 14. He later started the business of Angert and Brooker, dealers in groceries and glassware. After the death of Brooker, Angert maintained the business by himself where he did trade in the amount of \$30,000 per year. He also served as Vice President and a director of the Saint Charles Tobacco Company. Angert was a longtime stockholder of the First National Bank. He served as Vice President from 1884 to 1890, Cashier from 1890 until 1908, and as President from 1908 to 1922.

John A. Schreiber had a history of 54 years with the First National Bank. Schreiber, a lifelong citizen of Saint Charles and the nephew of Henry Angert, began his career with the bank at the age of 17. On May 8, 1886, he was elected Messenger by the Board of Directors. As Messenger his duties, among others, included; sweeping the lobby, cleaning the ink wells and cuspidors, and winding the eight-day clock above the vault door. This position also required him to spend his nights in the bank sleeping with a gun at his side to protect the deposits.

After only a few months in the bank Schreiber began to fill in as cashier between the hours of noon and one o'clock each day so Stonebraker, the Cashier at the time, could eat lunch. The position of Messenger paid \$25 per month. Schreiber soon became Assistant Cashier and continued on up the corporate ladder. He was elected Cashier of the First National Bank in 1908 and served in that position until the time he became President in 1922. He remained at that capacity through the great depression.



FNB of Saint Charles in 1877



1881



1912

TABLE TWO					
Bank Officers ~ Years of Service					
PRESIDENT		CASHIER		VICE PRESIDENT	
Eugene Gauss	1863-1870	John E. Stonebraker	1863-1864	W.W. Kirkpatrick	1880-1884
Valentine Becker	1870-1884	Joseph H. Alexander	1864-1869	Henry Angert	1884-1890
W.W. Kirkpatrick	1884-1889	John E. Stonebraker	1869-1888		
B.F. Becker	1889-1900	W.W. Kirkpatrick	1889		
Edward Gut	1901-1908	Henry Angert	1890-1908	Edward Gut	1891-1900
Henry Angert	1908-1922	J.A. Schreiber	1908-1922	Carl Daudt	1901-1920
J.A. Schreiber	1922-1935+	Charles B. Mudd	1922-1935+	Geo. H. Kuhlmann	1924-1935+



John A. Schreiber, 1922-1940

Twice while Schreiber was president the bank was held up by armed bandits. The first robbery occurred in 1932, at which time the robbers acquired \$18,000. In the second, a year later, they took \$6500. During both robberies Schreiber's hands were bound with picture wire. Schreiber was very proud of the fact that this was the only bank in Saint Charles permitted to open "100% unrestricted" after the bank moratorium in 1933. This meant the bank was authorized to honor withdrawals of funds by its customers without any restrictions.

The signature of J. A. Schreiber can be found on the majority of the surviving banknotes from the First National Bank. Schreiber signed the series 1902 notes both as Cashier and as President. He signed as the President on all of the series 1929 notes. He remained President of the bank until the time of his death in 1940. A list of the above and other known officers of the bank during the currency issuing period and the years of their service are shown in **Table Two**.

The First National Bank had a total circulating issue of \$1,787,010. This included notes from the First Charter period, both Original Series and Series of 1875, Second Charter brown backs, all three series Third Charter notes, along with Type 1 and Type 2 small size notes. The total amount outstanding in 1935 was \$99,450; of that amount the large size outstanding was \$6,260.

Known surviving notes include: 14 large size notes (two Brown Back \$10s, a Brown Back \$20, a Red Seal \$10, a 3rd Charter Date Back \$10, six Plain Back \$10s, and three Plain Back \$20s) all in circulated condition. There were also 43 small size notes (16 Type 1 \$10s, including an uncut sheet of six, 10 Type 1 \$20s, 8 Type 2 \$10s including an uncut sheet of six, and 9 Type 2 \$20s including an uncut sheet of six).



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TABLE THREE

Notes Issued ~ Sheet Combinations ~ Engraved Plate Dates ~ Serial Numbers

First Charter, Original Issue		Den.	FR#	Serials	# Issued
5-5-5-5	February 20, 1864	\$5	394	1-5050	20,200
First Charter, Series of 1875		Den.	FR#	Serials	# Issued
5-5-5-5	February 20, 1864	\$5	403	1-2090	8,360
Second Charter, Brown Back		Den.	FR#	Serials	# Issued
5-5-5-5	February 25, 1883	\$5	466	1-4764	19,056
10-10-10-20	February 25, 1883	\$10	479	1-509	1,527
	February 25, 1883	\$20	493	1-509	509
Third Charter, Red Seal		Den.	FR#	Serials	# Issued
10-10-10-20	February 25, 1903	\$10	613	1-3000	9,000
	February 25, 1903	\$20	639	1-3000	3,000
Third Charter, Date Back, Blue Seal		Den.	FR#	Serials	# Issued
10-10-10-20	February 25, 1903	\$10	616	1-7100	21,300
	February 25, 1903	\$20	642	1-7100	7,100
Third Charter, Plain Back, Blue Seal		Den.	FR#	Serials	# Issued
10-10-10-20	February 25, 1903	\$10	624	7101-21828	44,184
	February 25, 1903	\$20	650	7101-21828	14,728
Small Size, Type One, 1929		Den.	FR#	Serials	# Issued
10-10-10-10-10-10		\$10	1801-1	1-2494	14,964
20-20-20-20-20-20		\$20	1802-1	1-672	4,032
Small Size, Type Two, 1929		Den.	FR#	Serials	# Issued
10-10-10-10-10-10		\$10	1801-2	1-3322	3,322
20-20-20-20-20-20		\$20	1802-2	1-929	929

Table Three shows the number of notes printed for each type, the sheet combinations, as well as serial numbers and dates on the notes.

The First National Bank of Saint Charles continued to grow along with the community surrounding the bank. Even after the currency issuing period had ended, the bank continued to prosper. By 1952 the bank had outgrown the building. Additional room was needed to increase the bank's floor space. Several of the rented offices were taken over for use by the bank. Substantial alterations took a year to complete. The bank opened a trust department in 1956, a service that was long needed in the community. Then in 1961, the bank opened an additional facility at 423 Clay Street, which was known as the First National Motor Bank. It included three drive-up windows and an air-conditioned lobby. The bank celebrated its centennial in 1963. The interior was renovated and commemorative signs decorated the exterior. By 1979, the bank boasted three convenient locations.

The bank had survived the Civil War, robberies, tornados, panics, and the Great Depression, but could not survive the corporate merger. In 1984 the FNB was merged into Landmark Bank. In 1991 Landmark merged with Magna Bank. Not long after this merger, the building was closed. Magna Bank merged with Union Planters Bank which merged with Regions Financial Corp.



FNB of Saint Charles in 1952

On This Date in Paper Money History -- July 2006

By Fred Reed ©

July 1

1659, Connecticut currency engraver Jeremiah Dummer apprentices to Massachusetts mintmaster John Hull; **1867**, U.S. Coupon Bonds issued under this date bear motto "In God Is Our Trust;" **1922**, Congress extends National Bank charters by 99 years;

July 2

1810, CSA Secretary of State Robert Toombs, who appears on some Confederate bonds, born; **1867**, Laban Heath patents counterfeit detector with impressions from genuine plates and dies; **1999**, beginning of Summers-Withrow combined tenure;

July 3

1793, Thomas Jefferson's personal check on BUS to blackmailer James Reynolds for \$99.53 buys details on Alexander Hamilton's peccadilloes with Reynolds' wife Maria; **1961**, BEP engraver William S. Fleishell III born; **1978**, *Price Guide for the Collector of Modern U.S. Paper Money Errors* 4th ed by Tom DeLorey and Fred Reed copyrighted;

July 4

1776, Signing of the Declaration of Independence (FR 452-463) by 56 representatives of the states; **1827**, encased stamp issuer Cincinnati merchant George W. McAlpin born; **1861**, Lincoln's message to Congress asks for \$400 million and 400,000 men;

July 5

1801, Naval hero David Farragut (FR 377-378) born; **1865**, Treasury Secretary Hugh McCulloch swears in William P. Wood as first Secret Service chief; **1978**, Mexican 1000 pesos shows poetess Juana de Asbaje;

July 6

1785, Continental Congress sets dollar as unit of account; **1934**, Treasury Secretary Franklin MacVeagh dies; **1989**, Mexican numismatic scholar Miguel Munoz dies;

July 7

1862, *New York World* reports on shinplasters; **1891**, financial wizard Marcellus Berry copyrights countersignature traveler's checks; **2005**, collector John J. Ford dies;

July 8

1816, Alexandria, D.C. emits municipal fractional change notes; **1944**, BEP releases last \$10,000 FRNs; **1982**, paper money dealer Herb Melnick (NASCA) dies;

July 9

1795, James Swan pays off the \$2,024,899 U.S. national debt; **1868**, 14th Amendment to U.S. Constitution repudiates Confederate and southern states indebtedness; **1906**, dealer-collector Aubrey Bebee born; **1969**, first delivery of Series 1969 \$50 FRNs;

July 10

1763, reported birth date of American clergyman Chauncey Lee, who popularized use of dollar sign in his book *The American Accountant*; **1832**, President Andrew Jackson vetoes extension of Second Bank of the United States charter;

July 11

1861, Treasury Secretary requests President Lincoln sit for photograph to be engraved for Treasury Notes; **1862**, Congress OKs purchase of equipment to engrave/print notes in Treasury Department; **1864**, Greenbacks drop to 39-cents on the dollar in value;

July 12

1804, Alexander Hamilton, who said "unfunded paper as the sign of value [is] pregnant with abuses," dies; **1849**, Dolley Madison, who appears on obsoletes, dies;

July 13

1832, Congress authorizes land scrip as bounty payment to still living soldiers of the American Revolution; **1866**, Federal legislation imposes 10 percent tax on state bank note circulation; **1902**, SPMC founder Glenn B. Smedley born;

July 14

1819, "Bank Note Exchange" commences in *New York American*, providing bi-weekly discount rates; **1862**, Treasury Secretary Chase advises Congress to monetize postage stamps for small change; **1934**, Ben Spear copyrights *Lincoln Legal Tender Money*;

July 15

1816, Abel Brewster patents "forgery guard" for banknote plates; **1896**, Series 1896 \$1 Educational Note (FR 224) released; **1979**, Harry Clements becomes BEP Director;

July 16

1661, Stockholms Banco's 1st circulating European notes; **1862**, Sheriff arrests Chambersburg counterfeiters; **1992**, *Currencies and Crises* by Paul Krugman copyrighted

July 17

1695, Bank of Scotland authorized by Scottish Parliament; **1861**, Congress authorizes Demand Notes (FR 1-15); **1972**, Editor Barbara Mueller suggests gift memberships;

July 18

1792, U.S. Treasury Warrant #1 issued in favor of Frederick Hailer for \$4,266.67; **1862**, Chicago City Railway Co. advertises postage stamps for sale for currency;

July 19

1788, Paris stock market plunges; **1973**, Check Collectors Round Table founded; **2003**, SPMC columnist Harold Don Allen receives CNA's J. Douglas Ferguson Award;

July 20

1853, banknote engraver Robert L. Bald dies; **1873**, Treasury Secretary determines henceforth term United States Notes will replace Legal Tender Notes;

July 21

1873, Jesse James commits world's first train robbery at Adair, IA; **1945**, BEP releases last \$500 and \$1000 FRNs; **2005**, China revalues currency, dropping linking to U.S. \$;

July 22

1935, expiration date of bonds backing NBNs; **1944**, IMF created at Bretton Woods; **1981**, *National Bank Notes: a Guide with Prices* by Don C. Kelly published;

July 23

1775, Continental Congress appoints 3 men to supervise printing \$2 million currency, and 28 people to sign/number them; **1861**, last CSA Montgomery \$500 notes issued;

July 24

1798, Treasury Secretary John A. Dix born; **1866**, Comptroller of Currency Freeman Clarke leaves office; **1982**, extraordinary paper money collector Amon Carter Jr. dies;

July 25

1861, CSA notes second issue; **1957**, BEP prints \$1 Silver Certificates with motto IGWT; **2005**, UK Treasury proposes rules limiting commemorative note issues;

July 26

1790, Congress passes Assumption Act ratifying state debts; **1845**, Florida revokes Union Bank of Florida charter; **1933**, last delivery of Series 1928 \$1000 FRNs;

July 27

1694, Bank of England chartered; **1863**, J. Walter Scott leaves England for America; **1979**, Robert Friedberg's Brasher doubloon sells for world record \$430,000 price;

July 28

1830, banking historian Charles Franklin Dunbar born; **1950**, dealer Lyn F. Knight born; **1984**, BEP souvenir card shows Series 1882 Abe Lincoln \$500 Gold Certificate;

July 29

1794, Treasury Secretary Thomas Corwin born; **1931**, Germany declares bank holiday; **1980**, Pancho Villa's currency printer Dr. Alberto Francisco Pradeau dies;

July 30

1849, banknote and Mint engraver Jacob Perkins dies; **1884**, last delivery of \$1000 NBNs to NB of Commerce, Boston (#554); **1969**, first delivery Series 1969 \$20 FRNs;

July 31

1816, Union general George H. Thomas (FR 359-361) born; **1868**, first use of the name Bureau of Engraving and Printing; **1912**, economist Milton Friedman born;





The building and its memories remain; although, the First National Bank of Saint Charles is gone forever.

Acknowledgments

To Lloyd Deireling for sharing with me his data for the First National Bank of Saint Charles. This information was what made me interested in intensely researching the history of my hometown bank. A special thanks to Tom Boschert for inviting me into his home and sharing with me his knowledge and historical memorabilia of the bank. Mr. Boschert contributed all of the photos for this article and put me on the trail of Mr. Jack Schreiber. To Jack Schreiber III for sharing with me numerous news articles and the transcript of his grandfather's 1936 50th anniversary speech.

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- World Wide Web: homepages.rootsweb.com, www.mathpages.com, and www.stcharlescivcity.com.



On This Date in Paper Money History -- August 2006

By Fred Reed ©

Aug. 1

1862, \$1 and \$2 Legal Tender Notes bear this date; 1894, Senate Finance Committee compiles coin/currency statistics and coinage laws since 1792; 1931, Bank of England floats 25 million pound loans in NY and Paris to prop up faltering economy;

Aug. 2

1813, Congress taxes bank note circulation 1-2 percent; 1989, Legislation introduced providing for notes of \$20 or more traceable by electronic scanning;

Aug. 3

1803, Philadelphia Bank organized; 1865, earliest known usage of revenue stamped paper on a check so far as the day of use is concerned; 1993, *Money Man*, documentary about artist J.S.G. Boggs, premieres on U.S. television;

Aug. 4

1790, Congress sets Sept. 1, 1791, as last date to redeem Continental Currency at \$100 in bills to \$1 in specie; 1886, Congress authorizes additional Silver Certificates, including small denomination notes; 1979, end of Blumenthal-Morton tenure;

Aug. 5

1888, Union general Philip Sheridan (FR 268-270) dies; 1961, Fidel Castro issues decree invalidating pre-revolutionary Cuban currency; 1999, Museum of American Financial History debuts John D. Rockefeller exhibition;

Aug. 6

1776, Continental co-Treasurer George Clymer resigns; 1836, Congress adopts President Polk's sub-Treasury system; 1928, first 12-subject small size sheets printed;

Aug. 7

1929, BEP closes down facility for large size currency; 1978, *Confederate Monetary Policy* copyrighted by Dr. James F. Morgan; 1991, Colombia 100 gold pesos note;

Aug. 8

1899, Lucy Pickens, who appears on Confederate \$100s, dies; 1953, Treasury Secretary Fred Vinson dies; 1980, SPMC Board reestablishes ANA board meeting;

Aug. 9

1836, Colonial money author Alexander Del Mar born; 1862, editorial cartoonist Thomas Nast lampoons postage stamps as small change in *Harper's Weekly*;

Aug. 10

1832, NY Colonial Currency author John Howard Hickcox born; 1861, Demand Notes bear this printed date; 1914, Charles S. Hamlin becomes first Fed Chairman;

Aug. 11

1794, engraver James B. Longacre born; 1939, SPMC member Clifford Misher born; 1967, SPMC presents 1st Awards of Merit to Freeman, Mueller and Goldstein;

Aug. 12

1849, Treasury Secretary Albert Gallatin (FR 183) dies; 1933, British film *Money Talks* debuts in U.S.; 1969, BEP's first souvenir card for an ANA convention;

Aug. 13

1861, Robert Tyler becomes CSA Register of the Treasury; 1971, BEP Director Jim Conlon tells SPMC that his Bureau favors \$2 note, opposes multi-colored bills;

Aug. 14

1970, Bank of Scotland introduces 5-pound note depicting poet Sir Walter Scott; 1979, *A History of Nebraska Banking and Paper Money* by Jerome Walton published;

Aug. 15

1812, William Booth in England hanged for counterfeiting and forgery on third gruesome attempt; 1935, Treasury Secretary Morgenthau announces new \$1 note back;

Aug. 16

1787, Constitution Convention strikes language authorizing Congress to emit bills of credit, which they did "with a notorious lack of success" during the Confederation; 1841, riot at White House stems from Tyler's veto of Third Bank bill;

Aug. 17

1893, banknote engraver John W. Casilear dies; 1979, SPMC Board establishes Best of Show Award; 2005, *A Guide Book of United States Paper Money* copyrighted;

Aug. 18

1862, CSA President Jefferson Davis decries northerners supplying troops with counterfeit CSA currency; 1966, production of Series 1966 US Notes with IGWT begins;

Aug. 19

1817, Gregor MacGregor issues earliest dated, issued Florida currency; 1862, *New York Tribune* praises encased stamps as "happy solution to our common plight";

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Aug. 20

1925, Treasury Secretary Andrew Mellon appoints committee to study feasibility of small size currency; 1980, Fred Schwan speaks at SPMC awards breakfast at ANA;

Aug. 21

1862, first issue of Postage Currency; 1964, Forrest Daniel receives Ben Douglas Literary Award (\$10 gold piece) for best *Paper Money* article;

Aug. 22

1800, Washington Bank (RI) opens, issuer of first U.S. bank note with a portrait on it, first President George Washington; 1917 Russia decides to issue a new 250 ruble note;

Aug. 23

1930, Albert A. Grinnell and Robert H. Lloyd exhibit paper money at Buffalo, NY ANA convention; 1935, Governor of Fed Reserve Board's office changed to Chairman;

Aug. 24

1814, British burn Main Treasury Building; 1857, collapse of Ohio Life Insurance and Trust Co. and Mechanics Banking Assn. precipitates Panic of 1857;

Aug. 25

1917, ANA President H.O. Granberg displays proof and essay notes up to \$5,000 face value at Rochester Memorial Art Gallery; 1973, SPMC holds its annual meeting;

Aug. 26

1842, Treasury sets dates for fiscal year at July 1 through June 30, effective in 1843; 1921, Thomas Elder sells Lewis C. Gehring paper money collection;

Aug. 27

1894, Congress passes first graduated income tax; 1947, *U.S. Paper Money Records* author Martin Gengerke born; 1965, last delivery of Series 1950D \$50 FRNs;

Aug. 28

1746, NY Colonial Currency printer John Peter Zenger dies; 1884, Haseltine's sale of \$1000 Montgomery note brings only \$10, A/N attributes to the business depression;

Aug. 29

1862, start of National Currency Bureau when clerks cut and trim notes; 1946, USS New York (BB 34) shown on \$2 FRBN "BattleShip Note" decommissioned;

Aug. 30

1947, documentary *The Amazing Mr. Nordill* about a counterfeiter released; 2003, *Coins and Currency: an Historical Encyclopedia* by Mary Ellen Snodgrass published;

Aug. 31

1861, Chase appeals for \$150 million loan "compelled by guilty conspiracy, culminating in causeless insurrection"; 1877, Fractional Currency paper contract expires; ❖

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Showcasing the "100 Greatest Notes" The Inside Story

By Q. David Bowers

Lists are Popular

SEVERAL YEARS AGO WHITMAN PUBLISHING LLC commissioned Ron Guth and Jeff Garrett to create *The 100 Greatest United States Coins*. The result was a handsome volume, now in its second printing, featuring coins selected by a panel of voters, including dealers, collectors, and others. After votes were tabulated the list was found to contain primarily what might be called today "trophy rarities."

Landing in the number one spot was the 1804 silver dollar. Only a multi-millionaire would stand a chance of purchasing even 25 percent of the items for his or her collection. If anything, the results demonstrate the difference between coins and a similar about-to-be-discussed book on paper money.

People like lists. Television late-night host David Letterman has compiled all sorts of lists. *The Book of Lists* was made by the authors of the *People's Almanac*, and achieved wide sales. Elsewhere, the list of the 25 (or 50 or 100) top doctors in Baltimore or New York City, a listing of the 100 best towns in which to live, or the 50 best companies for which to work have attracted interest. Then there is the Fortune 500 listing of companies and *Forbes* magazines' compilation of the 500 wealthiest people in America.

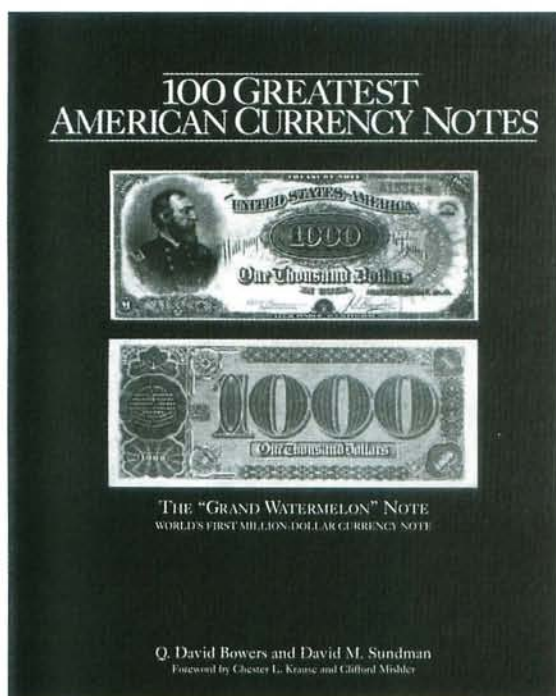
Years ago in the field of player pianos, the American Piano Company (AMPICO) compiled a list of 50 favorite piano rolls—a handy guide for anyone buying a piano as what others liked. For Currier and Ives prints there was also a Fifty Favorites list, used as a guide by many who sought to determine which of the thousands of prints might be worth investigating. *The Life of a Hunter: A Tight Fix* landed in the top spot—a dramatic scene of a bear rearing up on its hind feet, confronting a hunter deep

in the woods. The *New York Times* list of the top best sellers, and the *Billboard* list of top tunes are both well known and often consulted.

Lists are very useful. An ill person could probably benefit greatly by seeking out one of the top doctors in Baltimore (but, probably, the problem would be to get an appointment). If you contemplate adding an Ampico player piano to your recreation room, you won't go wrong if you can track down some of the favorite 50 rolls from the list compiled in the 1920s. And so it goes.

Focus on Paper Money

In view of the foregoing, creating *The 100 Greatest American Currency Notes* seemed to be a natural for Whitman. I dreamed up the



The elegant \$1000 Grand Watermelon Note rolled into the Number 1 position when votes were tallied for the 100 Greatest. An icon for a long time, this winner did not surprise authors Bowers and Sundman, but some of the other listings did. This particular note is also the first ever to cross the \$1 million mark at auction.

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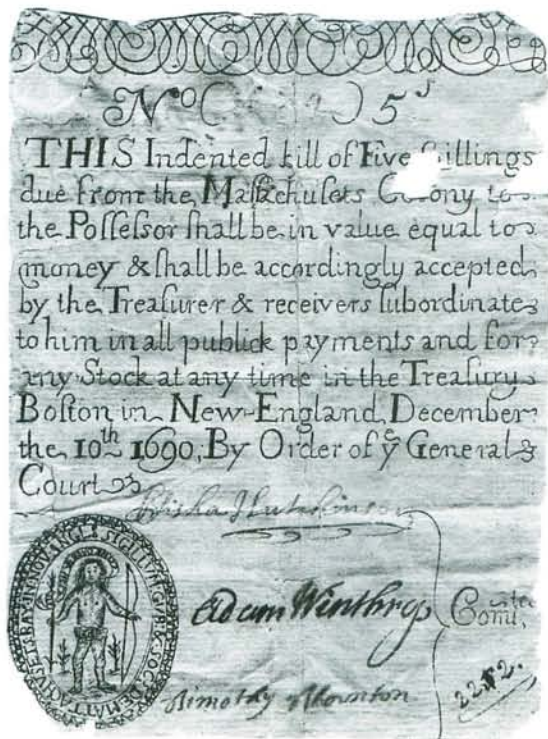
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The Series of 1869 "Rainbow Notes" include the \$1, \$2, \$5, and \$10, each with a panorama of color on the face. These were popular with voters. Higher denomination Series of 1869 Legal Tender Notes are not "rainbow," as they lack the green overprint.



Issue dated December 10, 1690, this unique Massachusetts 5-shilling note is the earliest known piece of paper money issued by any government in the Western Hemisphere. As explained in the book, this bill was issued nearly a year prior to a related Massachusetts bill dated February 4, 1690. Eric P. Newman helped clarify the reason.

idea, and it soon evolved into a plan. David M. Sundman of Littleton Coin Company was enlisted as co-author; Whitman contributed its facilities, and soon the project was underway. Queries were sent to many collectors, authors, and dealers, including all members of the Professional Currency Dealers Association, to submit lists of nominees—bills in any American series that they thought were important as to historical significance, numismatic popularity, and any other aspects that they considered to be relevant. The book was to be the most important notes, not necessarily the most expensive. Nominators were not asked to rank bills in any order.

Whitman Publishing compiled the suggestions, put them on a ballot, in order by Friedberg number and, for the many nominated bills not listed by Friedberg, in date or other sequence. The ballots were then sent out to several hundred hobby leaders to vote on them, listing their preferences from number 1, their very favorite, down to as many as 100. In due course the votes were received by Whitman. A system of weighting was devised, with most weight given to the number 1 choice submitted by a given voter, and the least weight to the number 100. All of these numbers were totaled up and crunched by Whitman, resulting in a listing in order of the top 100 favorites.

Then the list was given to Dave Sundman and me, and we went to work in secrecy. The order of the votes was not revealed, as we wanted buyers of the book to be in the position of "The envelope please!" and discover on their own the bills that had been selected. However, it was no secret that the cover note, the \$1,000 Grand Watermelon rolled into first place, as it was on the cover and featured in advertisements.

Some of my personal favorites that I thought might make the list didn't. I like the \$1 1918 Federal Reserve

Bank Notes with the "Green Eagle" back, but this type did not make the final cut. I also thought the Kirtland Safety Society Bank bills, reissued in Salt Lake City with signatures including Brigham Young, would be in the top 100, but no.

In final form, the top 100 turned out to be a wonderful distribution of landmark rarities such as the Grand Watermelon, plus many easily collectible items—such as the \$1 Hawaii overprint note, or a Fractional Currency bill depicting F.E. Spinner.



In the Marketplace

Since its publication in January, *The 100 Greatest American Currency Notes* has been “flying off the shelves” everywhere, according to Mary Counts, president of Whitman Publishing LLC. Remarkably, for every one copy sold within the hobby, several are sold in chain bookstores and elsewhere such as Barnes & Noble, Borders, Books-A-Million, and neighborhood bookstores. This has the result of “spreading the word,” so to speak. At American Numismatic Rarities, a long-time coin collector decided to switch orientation, and now he is deeply immersed in paper money. Several related stories could be told. The book has added a lot of electricity to the market, I hear tell!

In time, when present supplies run out, there will be a second edition—with updated market prices (wow, has the market been changing!) and a few corrections, possibly in 2007 or 2008. In the meantime, Whitman’s inventory of books is diminishing every day.

Creating the Descriptions

For Dave Sundman and me this was truly an enjoyable project. At the outset we decided to do it the hard way—not to simply offer a series of 100 pictures with captions, but, instead, to treat each note on its own and give it a separate essay or story. This turned the project from, say, a two week effort in gathering pictures, to nearly a year of in-depth immersion, exploration, and consultation with others in the hobby.

From what readers have said, the result—with an essay or story on each note, often with accompanying illustrations besides the face and back of the note itself—turned out to be very appealing. Chet Krause

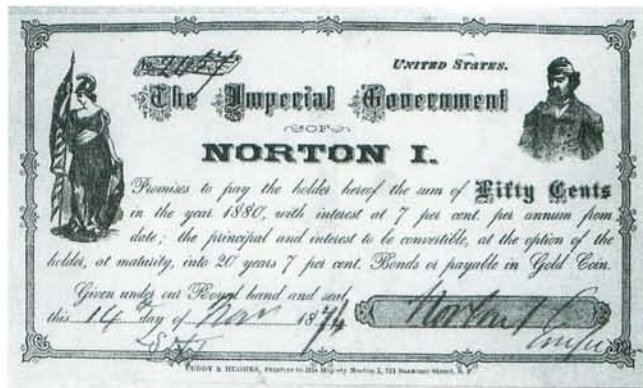


The “Lazy Deuce” National Bank Note swept up a lot of votes. Also shown is a cylinder die used to create the steel plate from which notes were printed.

Below: Is the wonderfully ornate scene on the 1896 Educational \$5 Silver Certificate the most elaborate in the federal paper money series? Many people think so, but these notes were not popular at all with bankers or the Treasury Department when issued.



Coming in as No. 100 in the voting was this scrip note of Emperor Norton I of San Francisco—America's one and only emperor (sort of). The full story is "in the book."



The use of "In God We Trust" on paper money was mandated by Congress in 1955 and was first used in 1957. Right? No, wrong! Shown here is a detail from a Series of 1882 Brown Back note issued in Florida, showing the state motto which, by the way, is IN GOD WE TRUST! And, as if this is not enough, the Series of 1886 \$5 Silver Dollar Notes show five Morgan dollars on the back—each with the motto partially visible and one with the motto fully shown.

and Cliff Mishler combined their talents to create the appreciation and foreword for the book, adding interest. You can pick up the book at an odd moment, read about any several notes you wish, as each story is stand-alone.

There were quite a few things to be learned, despite the fact that Dave and I have been collectors and professionals in paper money for a long time. We did a lot of scouting around, asking questions, checking historical information, and otherwise doing detective work, with the result that quite a few previously unknown or forgotten facts have been included.

My favorite anecdote in this regard relates to Tom Denly, who as price coordinator had advance proof sheets from Whitman. At a paper money convention he met with a leading auctioneer and discussed the book. He replied as something like "Oh yes, just another picture book."

"Oh, no," Tom replied. "Look at this." He then handed the dealer—one of America's best known names—the page about the \$2 Battleship Note. The dealer's reply: "You're right! I learned a lot!"

Probably the biggest eureka moment for Dave Sundman and me had to do with the 1690-dated paper money of Massachusetts. We had thought that the bill dated February 4, 1690, was the very earliest, and that a related bill dated December 10, 1690, was second. Then with some poking around, including some detailed discussions with Eric P. Newman, we realized that the December 10, 1690, bill was first, as in those early days the calendar was different, the year began on March 25th, and actually in 1690, the written date of February 4, 1690, is what would translate today to February 4, 1691.

Now that the book has been in print for a few months, in a way I wish it could have included the top 200 notes—as currency has everlasting fascination, and Dave Sundman and I both enjoyed tracking down the background of each in the listing. Perhaps more realistically, and perhaps for an article in *Paper Money*, it would be interesting to mention some faces on the cutting room floor, so to speak—some notes that

The \$1 HAWAII note of World War II landed a spot in king's row, so to speak, and was popular with voters. This is one of many bills in the book that is highly collectible and, indeed, in this instance quite inexpensive.



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SPMC loses longtime mainstay Forrest W. Daniel

SPMC LOST CHARTER MEMBER AND REVERED paper money historian Forrest Wayne Daniel April 14th. Mr. Daniel passed away quietly in his sleep, according to family members.

Mr. Daniel, charter member #121 (1961), was a much honored senior member of this organization. He was honored with four of the Society's highest laurels: its Nathan Gold Lifetime Achievement Award (1993), Awards of Merit (1983 and 2000), the George W. Wait Memorial Award (2002), and unanimously with Honorary Life Membership in 2002.

In addition Mr. Daniel was one of SPMC's most prolific authors. We published nearly 150 (count 'em, 150) of Forrest's articles in *Paper Money* for which he received 10 literary awards, including this Society's very first literary award 42 years ago. On Aug. 21, 1964, Forrest Daniel received the Ben Douglas Literary Award (\$10 gold piece) for best *Paper Money* article. Two years later on Aug. 19, 1966, he received a \$5 gold piece for second best article in *Paper Money*. Mr. Daniel also was honored in 1967, 1969, 1981, 1984, 1992, 1996, 1997, and 1999. He also received an ANA Heath Literary Award.

At the time of his death, a number of his other manuscripts were pending publication, including his personal review of War of 1812 finances, which awaited corroboration of sources. Mr. Daniel received his coveted George W. Wait Memorial Prize for his research on this early federal currency. According to family members, this was his most cherished award.

Forrest was a doer, not just a talker. He and Brent Hughes co-created our Society logo that has served us so well for so many years. On Aug. 18, 1972, SPMC President Roy Pennell unveiled this new Society logo, featuring currency peeled from a printing plate. On Aug. 24, 1973, adding the date of organization (1961) was approved by the SPMC Board.

He served as a governor of this organization during six eventful years in the early 1970s (1970-76). The Society had closed out its first decade with what might charitably be called "growing pains," but it was Forrest and a group of other stalwarts who seized the initiative and set the SPMC back on an even keel.

Daniel served as Life Membership Chairman and Nominating Committee Chairman. On Aug. 21, 1975, the SPMC Board once again rejected LMs, but set up a study committee headed by Forrest Daniel. Life memberships were eventually agreed to a decade later.

It was in the area of awards, however, where Mr. Daniel showed his mettle and organizing skills. In the early years of the Society, our award program sprouted

willy-nilly, causing conflicts, consternation, and hurt feelings. Forrest took the situation in hand, analyzed it and on July 12, 1971, submitted his comprehensive review/reorganization plan for SPMC awards, which served the Society for more than 30 years, until revisions were undertaken in the last two years.

In recognition of his many contributions to SPMC on Jan. 25, 2002, Forrest W. Daniel was unanimously elected SPMC Honorary Life Member, one of only a dozen or so individuals to be so recognized in the organization's 45 year history.



Mr. Daniel thought highly of SPMC too, his niece Bonnie Daniel said. In his will he left a \$10,000 bequest to the Society to generate funds for use to be determined by the Society's Board of Governors.

Late in life, Mr. Daniel's interest in history led him to attend Mary College in Bismarck, ND as an adult student. He graduated with a BS degree in History, of which he was very proud, according to family members. His love of history, which shone in his paper money writings, was also evidenced in his personal life. A founder of the local history society, Forrest also was a director and treasurer of the State Historical Society, and employed by that organization for 11 years prior to retirement in 1988.

Mr. Daniel is remembered by family and some of his longtime friends and colleagues as a friendly and gentle man, whose modesty belied his intense intellect:

Bonnie & Bill Daniel (niece and nephew) recall:

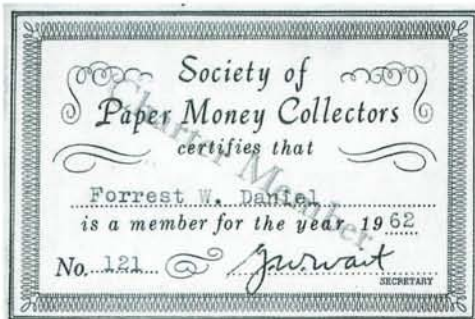
"My uncle, Forrest W. Daniel has been a member of the SPMC, I believe, since it began. He had a great regard for the organization. "Uncle Sonny" also had a great passion for history. He was an accomplished researcher and writer upon the subject of paper money. Forrest's research took him from interviews in Wells County (ND) to New York City and the Smithsonian Institution in Washington, D.C. It was fun for us to read of all the awards, dates, and Forrest's involvement over the years in the Society. Thank you for your kind words."

Tom Minerley:

"I remember the first time I met Forrest. It was after he had an article published in PM and I caught a *faux pas* and brought it to his attention. I was surprised to get a personal reply and this began an off and on communication binge that went on for many years. He was a very knowledgeable person, who was never hesitant to share that knowledge with you. I will think of him whenever I look at one of the key notes in my collection and think back on how I acquired it."

Gene Hessler:

"Forrest was among the first people I met when I



joined the SPMC and we remained close friends. I was always sorry that he lived so far away. I always enjoyed his company and wanted more of it. Forrest understood the world of paper money and the laws and circumstances that accompanied it. He not only had answers, but he raised excellent questions. Forrest provided me (when editor of *Paper Money*) with hundreds of 19th century newspaper clippings about paper money. When I needed to fill a few inches or a page, I reached for the Forrest Daniel file.

"Forrest was an intellectual, and unless one had the opportunity to get to know him, he enjoyed allowing people to assume that he was just a retired printer, nothing more. Forrest was quick to comment -- humorously when appropriate -- about a remark or visual situation. Forrest wrote poetry and essays and he sent some to me.

"In my opinion, Forrest Daniel will be added to the short list of those who not only made a difference in our society, but made a difference in the world."

Fred Reed:

"I met Forrest more than 30 years ago, and followed his collecting passions in the pages of this journal ever since. When we were doing the special 40th anniversary issue several years ago, he contributed an elegant explanation of how he and Brent Hughes (also sorely missed) co-created our SPMC logo featuring a pulled printing from an engraving plate, an activity of the kind of which Forrest had done thousands of times in his career as a journeyman printer.

"I agree with Gene's comment that Forrest was a deep thinker capable of abstract concepts (such as the symbolism of our logo) and also down to earth in matters of importance. Three years ago I had the delight to share breakfast with Forrest, clad impeccably as usual in his light green blazer, topped by his white shock of hair. The conversation for about an hour was charming and interesting.

"Our correspondence over the years revealed his passion for local history (he lived in North Dakota), his passion for regional authors (he had an entire bookshelf in his library for books of local authors, and was proud to be among them), and his passion for a wide variety of numismatic artifacts.

"His interests were amazingly broad ranging. Recent articles in this magazine by Forrest have spanned the gamut from "Smileage Booklets" to the U.S. national debt. His vision may be best summed up by his personal credo: "If it's printed on paper, if it represents(ed) monetary value, it deserves a story in *Paper Money*. WRITE IT! Or we may never hear of it."-- Forrest Daniel (2001)

Mark Anderson

"Mr. Daniel was a delightful man, and a great supporter of the SPMC. I had the extraordinary pleasure of first meeting him at a convention years back, and he talked eruditely and at length to me about the material he was examining, just out of his sheer enjoyment and



Journeyman printer and historian Forrest Daniel conceived the SPMC logo depicting pulling a press proof (compare a youthful Daniel above with the logo below). Artwork for the seal was developed by fellow Charter Member Brent Hughes. Both were honored with Awards of Merit for this achievement. Mr. Hughes pre-deceased Mr. Daniel.



excitement for the field.

"He was so completely unassuming that I did not find out what a force in the hobby he was until after the fact, and I was so impressed by his [patient] willingness to befriend a total stranger. He will indeed be missed."

Bob Cochran

"Forrest Daniel was truly a class act! When I was writing for *Paper Money* back in the 1980s and 1990s,

Forrest would often send me a note adding some (sometimes significant, sometimes mundane) information that I had either not discovered or left out of the article. He was kind, though, in that he never belittled me for not having all my facts correct or missing something that might have enhanced the article.

"When we were at shows together, we almost always had a nice, quiet chat in some corner or in the lobby of the hotel. Every so often, he'd send me something that HE thought I should know or read -- and every time it was excellent and useful information. I once was able to find some information that he was seeking, something that really gave me a great deal of personal satisfaction.

"I know he wanted desperately to write the history of the early Federal issues of the U.S. I don't know how far he got with that work, but I'm sure whatever he managed to accomplish will be lucid, certainly documented properly, and one hell of a fun read!!!"



The President's Column



Hot Enough to Burn!

THOSE ARE FIGHTING WORDS TO MOST PAPER collectors. Just the mere thought of a fire with all of our paper money strikes fear into our hearts. But, relax, that is not the reference. I am referring to how HOT the hobby is now. Paper is taking off. I have been talking with a number of different dealers at shows that I go to and they say selling nice paper is very easy, buying is hard. All areas seem to be doing well.

We need to take advantage of this surge and make the hobby stronger. While the hobby is strong, I feel we have some definite challenges facing us in the years ahead. I worry that the prices have taken off too rapidly and that some new collectors will not be able to sell their notes for even what they paid and eventually leave the hobby. Encapsulation is also a new challenge. Many of us in the hobby have resisted this for all it was worth. However, it seems that it is here to stay and instead of complaining about it, let's work to have it make a positive impact on the hobby.

Your board of governors wants your input into what you would like to see in the Society and how we can help provide it for you. Let me know and I will pass it along. It is with regret that I let you know I was informed last night (as I write this message) that a long time member and paper money enthusiast has passed away—Mr. Forrest Daniel. I never had the privilege of knowing him, but those who did tell me he will be missed.

Benny ♦

Letter to the Editor

Dear Fred,

Regarding the identification of buildings depicted on 1825-dated Eagle Bank notes in John Ferreri's letter in the March/April issue of *Paper Money*: these do not show the 1st or 2nd Bank of the United States at Philadelphia, contemporary images of which are readily available.

The vignettes probably represent planned and proposed buildings of the Eagle Bank itself. The failure of this bank in the fall of 1825 caused a local business panic. William F. Hasse Jr. in *A History of Banking in New Haven, Connecticut* (New Haven, 1946) states: "The architects for the Eagle Bank had drawn up plans for a beautiful six-pillar bank building to be built at the corner of Church and Chapel Streets, just before the crash." It seems likely that the vignette on the \$1 note represents this building and the additional structures on the higher denomination notes portray hoped-for future expansions.

Best regards, Walt Wiegand

\$\$ money mart

Paper Money will accept classified advertising on a basis of 15¢ per word (minimum charge of \$3.75). Commercial word ads are now allowed. Word count: Name and address count as five words. All other words and abbreviations, figure combinations and initials count as separate words. No checking copies. 10% discount for four or more insertions of the same copy. Authors are also offered a free three-line classified ad in recognition of their contribution to the Society. These ads are denoted by (A) and are run on a space available basis.

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Frank Clark
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12032 **James Bourn**, 1946 71st Ave, Vero Beach, FL 32966 (C & D, Fractionals, US Large), Tom Denly
12033 **James D. Flack**, 15804 Kay Ave, Belton, MO 64012 (C), Website
12034 **Todd Lyons**, 3745 West 102nd Ave, Westminster, CO 80031 (C & D, United States), Tom Denly
12035 **Robert E. Thompson**, 4129 Berritt St, Fairfax, VA 22030 (C, US Large), Coin World
12036 **Gene Dunn**, 34544 Railroad Ave, Pittsville, MD 21850 (C, Maryland & Wisconsin Nationals & Obsoletes), Tom Denly
12037 **James W. Key** (C), Coin World
12038 **Scott Pendleton**, 85000 Bell Hill Rd, Cadiz, OH 43907 (C, Ohio Nationals & Obsoletes), Website
12039 **Jeff Keough**, 1255 Copenhill Dr, Waukesha WI 53186 (C, Wisconsin Nationals), Allen Mincho
12040 **James I. Dunn**, 129 Genoa Dr, Springfield, IL 62703 (C, US Paper Money 1800-1899), Tom Denly
12041 **Craig Petersen**, 6572 Prairie Dog Court, Waldorf, MD 20603 (C, Nationals and US Notes), Wendell Wolka
12042 **George H. Genuario III**, PO Box 172, Norwalk, MO 66852-0172 (C, US Small, Fractionals, Obsoletes), Coin World
12043 **Paul W. Abrahams**, 10201 Slater Ave Suite E, Fountain Valley, CA 92708 (C, Web Notes), Coin World
12044 **Marshall Austin** (C), Coin World
12045 **Wayne Fletcher** (C), Paper Money Values
12046 **Kevin Overson** (C), Wendell Wolka
12047 **Gary Locke** (C), Coin World
12048 **James Sadock Jr.** (C), Coin World
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12051 **Charles Grove** (C), Tom Denly
12052 **Mark Green** (C & D), Website
12053 **Edward W. Sawyer** (C), ANA
12054 **Rick Jones**, PO Box 325, Belden, MS 38826 (C, Nationals), Coin World

REINSTATEMENTS

7125 **Michael Pierce** (C & D) Frank Clark

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Wolka wows 'em at CSNS

by Mark Anderson

WENDELL WOLKA PULLED BACK THE VEILS of time and exposed the "Economic Engine of the Midwest," the 41-branch State Bank of Ohio, at the regional SPMC forum during the CSNS convention in Columbus, OH April 28th.

Collectors were treated to a detailed, illustrative, highly informative, and anecdote-rich presentation on the banking goliath by the speaker, author of the definitive book on Ohio obsolete currency published two years ago.

Drawing on his vast knowledge, research in the field, and inspection of more than 50,000 Ohio obsolete notes, Wolka's talk spanned the bank's history, growth, importance, and management policies.

He also provided in-depth insights into the State Bank of Ohio's note issuance through three principal periods: Series I (issued from 1845 to 1851), Series II (issued from 1851 to 1859/61), and Series III (issued from 1859 to 1864).

Each epoch was treated independently, including info on denominations issued, plate make-up, notes known in genuine, altered, and counterfeit forms. In addition, he provided relative rarity information.

For newcomers to the field, the veteran collector offered some personal observations and advice on pitfalls to avoid. Especially noteworthy were illustrated diagnostics of specific tell-tale differences between genuine and counterfeit notes.

Wolka's research into the correspondence between the bank and its currency printers provided fascinating fodder for explanation [and, in some cases, inference] as to how and why notes were designed, which denominations were printed and in what sheet pairings, the seemingly unusual choices of vignettes on early notes, and the evolution of the printing vendors chosen over time.

Beginner or veteran alike, everyone came away with a deeper appreciation for such obsolete notes. ❖

Whitman Publishing to release Bowers' paper money opus on 18th-19th century obsolete bank notes, 1782-1866

WHITMAN PUBLISHING HAS ANNOUNCED THE forthcoming release of longtime SPMC member (since 1964, #780) and *Paper Money* columnist Q. David Bowers' newest opus, *Paper Money Issued by Banks in the United States 1782-1866*. The book will include a foreword by Eric P. Newman, patriarch of paper money research and collecting.

Bowers is justly acclaimed for his many books and the several coin firms which have borne his name over the years. Included are more than 50 different volumes, most recently *The 100 Greatest American Currency Notes* (co-authored with David Sundman) and *The Guide Book of United States Paper Money* (with the Friedberg numbering system). He is an award-winning columnist, including for *Coin World* and this publication, *Paper Money*.

The new book will be an estimated 500-600 pages in large 8½ by 11 inch format, full color throughout, printed on high quality paper, and hard-bound with a decorative cover as well as a book jacket, according to publisher Dennis Tucker. "It is anticipated that these books will be available for distribution by autumn," he said.

"This is a one-volume university course on bank notes of the era," Whitman President Mary Counts commented. "The book is amazing, and I think readers will agree. Nothing like it has ever been published before."

The volume is arranged in 20 chapters, each of which is extensively illustrated. The author begins with an overview of early American paper money from the first Massachusetts issue of Dec. 10, 1690, down through the various notes of the colonies and the Continental Currency era, into the period of state-chartered banking.

"Combining numismatic information such as the designs and availability of bank notes, with history of individual banks and a rich background of the American scene, the author creates a 'you are there' experience throughout. The reader will be able to imagine that he or she is on the scene during the War of 1812, or is swept up in the Panic of 1837.

"He or she will marvel at the expansion of canals and railroads, as banks proliferate, and often illustrate their paper money with these motifs," Tucker reported. The Panic of 1857 is another pivotal event in a chronology concluded by the Civil War, when many different types of currency were issued, and, gradually, state-chartered bank notes faded from the scene.

Contributors to the new book constitute a veritable "Who's Who in American Paper Money," according to the Whitman spokesperson, providing hundreds of images of individual notes, vignettes, full sheets, and more. "Never before has so much information and so many illustrations been combined in a single volume," he remarked.

Bowers, who needs little introduction to readers of this publication, has been studying the subject and keeping notes for several decades. In historical chapters, the

author draws primarily upon original bank documents, contemporary newspapers, state bank commission reports, and other contemporary information, bringing to light many interesting, indeed remarkable facts never before presented in a numismatic publication.

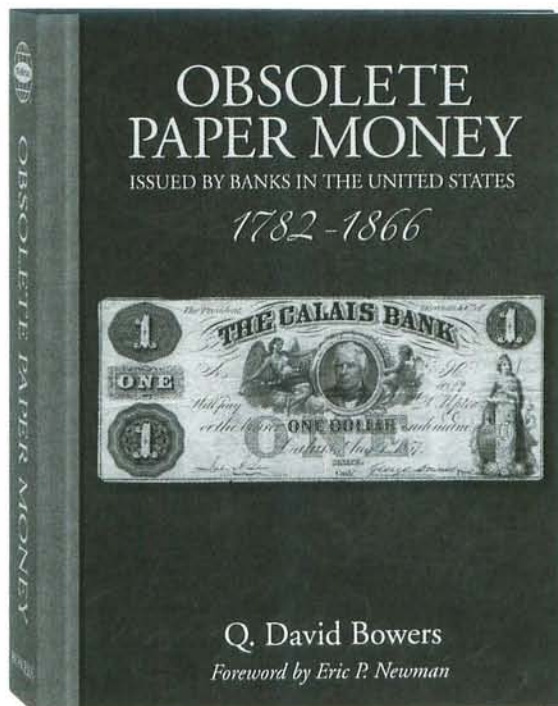
Later chapters include two special sections, "Collecting and Enjoying Obsolete Bank Notes," in which the author gives numismatic insights into buying, selling, grading, preserving, and enjoying the currency issued over a long period of time by more than 3,000 different banks and other note-issuing institutions. "This section alone would make a fine guide all by itself," according to the book's publisher.

Then comes "Obsolete Bank Notes: A State by State Analysis," which gives a summary of the banking history of each state together with aspects of collecting notes today, and insights provided by well known obsolete currency dealers Tom Denly and Hugh Shull.

Concluding the book is a color gallery, "Treasures of the American Bank Note Company Archives," illustrating and describing many of the bank note plates, vignettes, and other items that were sold in 2005 by the American Bank Note Company to John Albanese and Steve Blum, with many of the important items going to American Numismatic Rarities.

"This book, the work of years of research by Dave Bowers, would probably still be in the compilation stage were it not for the planned offering of American Bank Note Company plates and other items on the market, beginning later this year. This precipitated a drawing together of information, resulting in this book," Tucker said.

The volume will be for sale at numismatic book-sellers nationwide. Cover price is \$69.95. In addition, a limited number of leather bound copies will be available for \$99.95. ❖



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Friends honor William S. Dewey; Centennarian related to Admiral

By David Gladfelter

ABOUT 60 OF WILLIAM S. DEWEY'S FAMILY AND friends attended his memorial service at the First Congregational Church in River Edge, Bergen County, NJ, on April 23, 2006. Bill, a noted collector and writer, who received two SPMC literary awards in 1984 and 1998, died on April 2nd at the nursing home where he had lived the past four years.

Dewey who had turned 100 years of age on Dec. 5th, 2005, was also avid about the historical medals, tokens and paper money of New Jersey. A specialty was the medals and mementos of his distant relative, Admiral George Dewey, the hero of the Battle of Manila Bay in the Spanish-American War.

In attendance were both of Bill's children, William E. Dewey and Autumn Owens, all six of his grandchildren and all 10 of his great-grandchildren. The service, like Bill himself, was very upbeat as speakers recalled his warm family relationships, engineering career, volunteer activities, numismatic pursuits, love of music and family history. Afterward, there was time to visit, eat and browse Bill's photo albums, publications, awards and news items.

Among the last named was a December 1937 article about Bill taking charge of some 600 books belonging to the American Numismatic Association and working up the collection into a lending library operated out of his home. The family allowed interested parties to take some of Bill's award plaques as remembrances of him.

His children said that although confined to a wheel chair while in the nursing home because of a fractured hip, his mind remained clear. Most days he dressed like the professional he was, in a jacket and tie and occasional jaunty cap.

I had the pleasure of working with this remarkable man on the last article he wrote, nine years ago, about the rare paper money of the Bergen Iron Works in Lakewood, Ocean County, NJ. In that article we described and illustrated all of the five known specimens, in all denominations. Since that time, only one additional specimen has turned up. He took great pleasure in being thorough.

According to Ocean County Coin Club President Jim Majoros, Mr. Dewey began his interest in numismatics in 1932, and "took to numismatics just as a fish takes to water." He co-founded the Westchester County (NY) Coin Club, received the ANA Heath Literary Award in 1959, and the KP Numismatic Ambassador Award in 1987. Dewey authored books on *Early Manchester and William Torrey* (1982), and *The Bergen Iron Works and its Tokens* (1989).

Portions of this account reprinted with permission, E-Sylum, April 9 & April 30, 2006.



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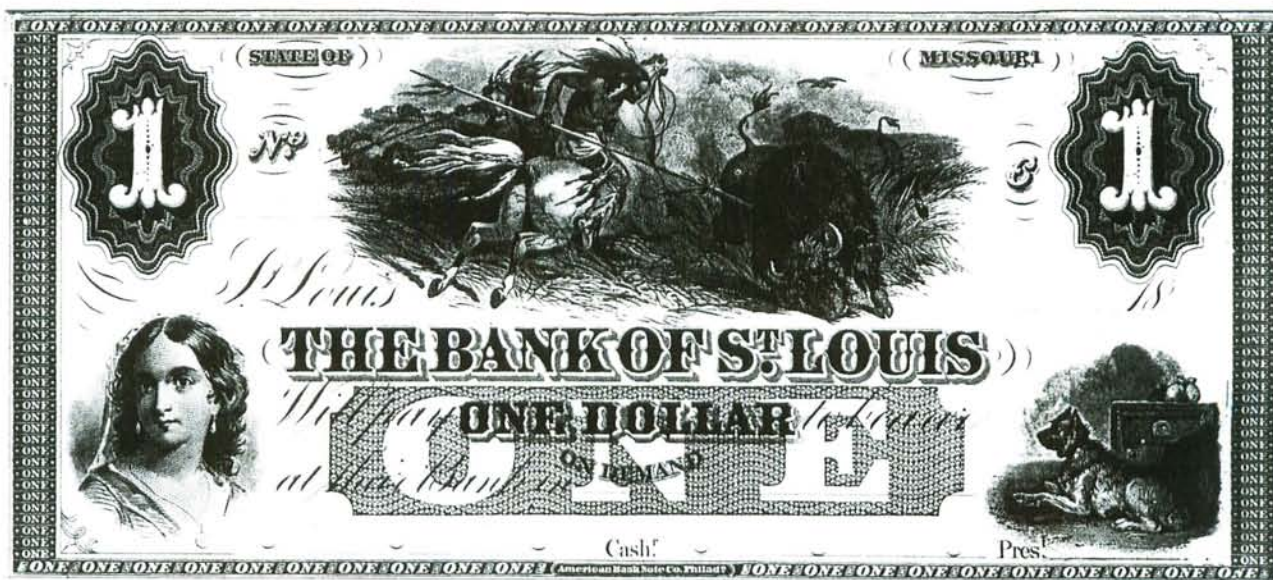
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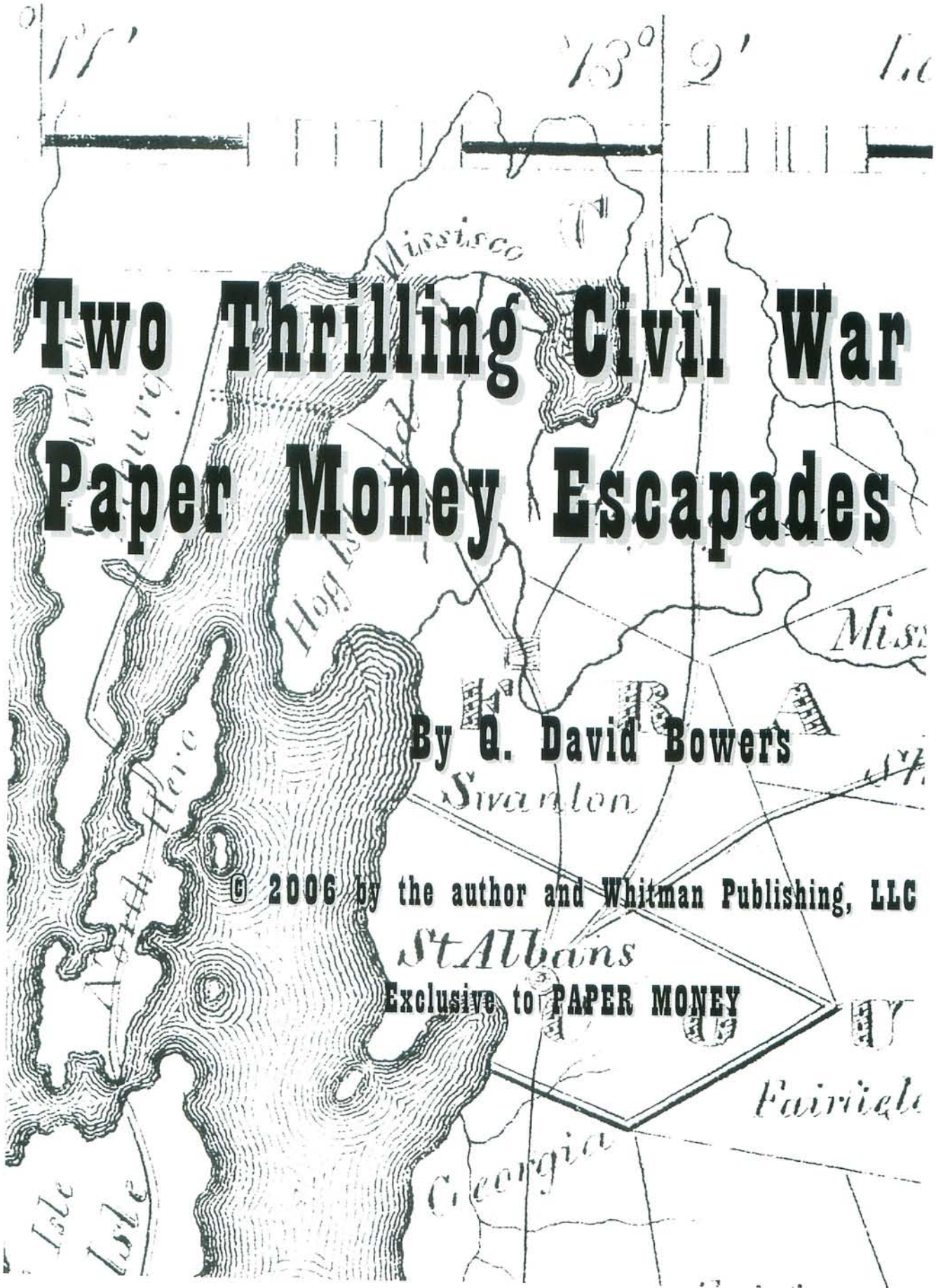
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Two Thrilling Civil War Paper Money Escapades

By **D. David Bowers**

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Introduction

FROM THE STANDPOINT OF TRANSITIONS AND CHANGES in the panorama of American paper money, the four years of the Civil War have no equal. Federal “greenback” notes began with the Demand Notes of 1861, followed in 1862 by the soon to be ubiquitous Legal Tender bills. State-chartered banks in the North and South continued to issue bills, mostly printed in the North. When in the South the supply became short, various regional printers were tapped to turn out currency, usually by lithography or typesetting, as skilled plate engravers were in short supply.



The famous \$1000 “Montgomery” note of 1861, Criswell Type 1. Historian Pierre Fricke suggests that about 115 examples are known today. (Courtesy of Amanda Sheheen)

Soon, the Confederate States of America had its own paper money, inaugurated by a small supply of \$50, \$100, \$500, and \$1000 notes obtained from the National Bank Note Company in New York City in March 1861, before the war was declared (on April 15). Today, these are the famous “Montgomery” notes, the \$1000 denomination in particular being the Holy Grail of Southern currency.

In the meantime, in the North the Union government turned out additional classes of paper money, including Interest Bearing Notes, Compound Interest Treasury Notes, Gold Certificates, Fractional Currency, and, beginning in December 1863, National Bank Notes. Scrip or fractional bills issued by towns, railroads, saloons, individuals, and other parties took the place of hoarded silver coins on both sides of the Mason-Dixon Line.

From the above scenario many numismatic stories can be told, including the two adventures, or escapades I describe in this article. Paper money was central to each, as will be seen.

This is excerpted from my forthcoming book, *Paper Money Issued by Banks in the United States 1782 to 1866*, with the subtitle, *The Engraving, Printing, and Circulation of Bank Notes, with Aspects of Collecting Obsolete Currency*, to be released by Whitman Publishing, LLC this autumn. The foreword will be by Eric P. Newman, and the list of contributors will read like a Who’s Who in Paper Money.

The Calais Bank Caper

The Civil War

As a prelude to Escapade Number One, the Calais (Maine) Bank, established with a capital of \$50,000 in 1831, conducted a strictly regional business for a long time. It elected not to have its bills redeemed by the Suffolk Bank in Boston, and therefore its currency sold at a deep discount at places distant from home. Located on the Atlantic seacoast adjacent to the border with New Brunswick in Canada, the bank did an active business financing the maritime trade.



\$10 proof note of the Calais Bank with the printed date April 1st 1852. Patent Stereotype Steel Plate by the New England Bank Note Co. Certain Maine banks continued using these old-style bills long after most institutions elsewhere had turned to popular designs with large ornate vignettes. This is an archival specimen with notations on the back, dated March 26, 1852, that it is printed on "Crane's old" paper made in Dalton, Massachusetts, by the Crane Co.

During the Civil War, Canada was a neutral country. A possession of England, if anything Canada was sympathetic to the interests of the Confederate States of America, a trading partner with the home country, furnishing cotton for the inland textile mills. Many Union men who sought to avoid conscription, or who agreed with the Confederate cause, were living in Canada, as were Confederate soldiers who had escaped from prison camps or who were simply there on undisclosed missions.

In December 1863, rumors spread through Calais and other border towns that Confederate soldiers were about to mount an attack, but such never materialized. The danger was real, as evidenced by the capture by 16 men, mostly inhabitants of New Brunswick, under the leadership of a Confederate naval officer, of the 460-ton wooden passenger steamer *SS Chesapeake*. The vessel was intercepted on December 7th of the same month, in the seas off Cape Cod, Massachusetts, where it was en route from New York City to Portland, Maine. The attackers, claiming to be operating under a letter of marque or authorization for privateering, took their prize to Sambro Harbor in Nova Scotia. In a turnabout, she was captured there by the American warships *USS Ella* and *Annie*, and soon repatriated.

Rumors continued to fly, including for an uprising by the Passamaquoddy Indians who had been enlisted by the Confederacy to massacre residents along the St. Croix River in Maine. In ensuing months the stories subsided, but many citizens kept up an armed guard. On July 16, 1864, Governor Samuel Cony of Maine received information from two sources that an attack was being planned. Consul J.Q. Howard had wired from Canada, "A small raiding party left St. John last night to commit depredations on the Maine frontier."

The governor wired warnings to the mayors and others in towns and cities, alerting them to the possible danger. Along the border, citizens were on high alert. A unit of the State Guards, under Captain Benjamin Flint, became overly enthusiastic and crossed into Canada to position themselves in the New Brunswick town of St. Stephen.

Acting on information received from Reverend John Collins, brother of William Collins, Consul Howard sent another message, including this:

Satisfactory evidence has been furnished me that one William Collins, late of the rebel army, is now organizing in this vicinity a force to commit depredations on the Maine frontier.

An Invitation from

The NEW HAMPSHIRE CURRENCY STUDY Project

Q. DAVID BOWERS and **DAVID M. SUNDMAN** are involved in a long-term project to describe the history of all currency issued in the State of New Hampshire, as well as to compile a detailed registry of all known notes (whether for sale or not). Our area of interest ranges from early colonial times through the Revolutionary era, the state-chartered bank years (1792-1866), and the era of National Banks (1863-1935). This will result in a book under the imprimatur of the Society of Paper Money Collectors, with help from the New Hampshire Historical Society, the Smithsonian Institution, and others.

Apart from the above, David M. Sundman is president of Littleton Coin Company and Q. David Bowers is a principal of American Numismatic Rarities, LLC, and both advertisers in the present book. For other commercial transactions and business, refer to those advertisements.



The authors of the present book, holding a rare Series of 1902 \$10 National Bank Note from West Derry, New Hampshire.



A typical NH Obsolete Note, this from the Winchester Bank.

A Series of 1882 \$10 Brown Back from the Winchester National Bank.



This same building was used for the Winchester Bank and its successor, the Winchester National Bank.



Teller window circa 1910, Winchester National Bank

If you have New Hampshire currency or old records or correspondence relating to the same, or other items of historical interest, please contact us. In addition, Bowers and Sundman are avid collectors of these bills and welcome contact from anyone having items for sale. We will pay strong prices for any items we need!

Visit the NH Currency Study Project website: www.nhcurrency.com. Find a listing of New Hampshire banks that issued currency, read sample chapters, and more.

We look forward to hearing from you!

The NEW HAMPSHIRE CURRENCY STUDY Project

Box 539, Wolfeboro Falls, NH 03896

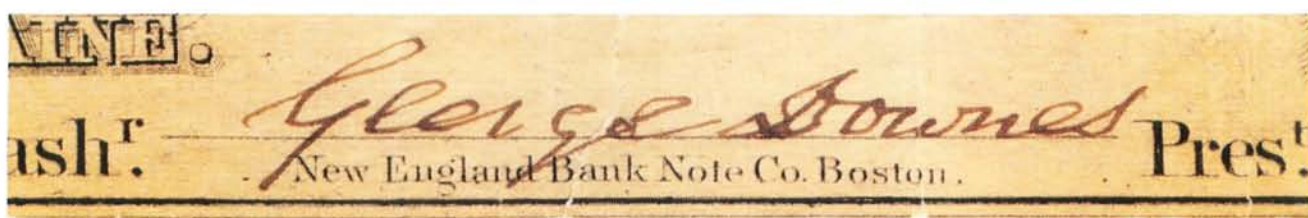
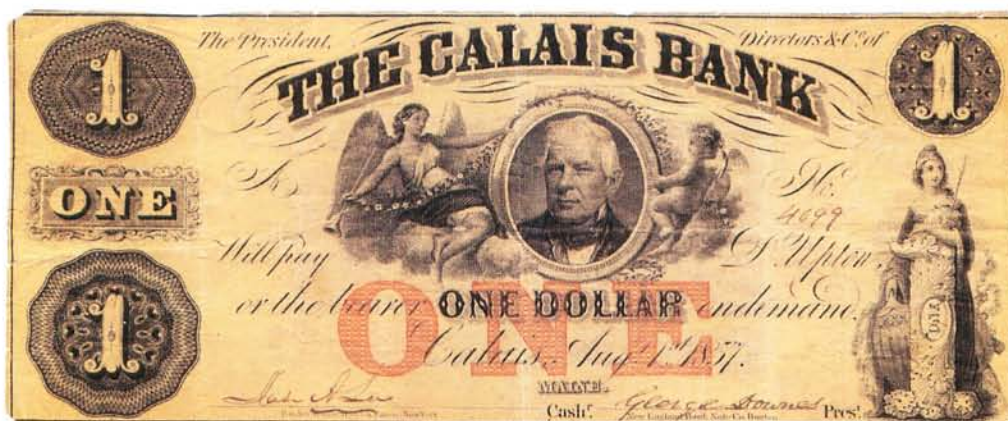
E-mail: info@nhcurrency.com (Your e-mail will be forwarded to both authors.)



www.nhcurrency.com

There is reason to believe that the somewhat notorious James McDonald and a precious scoundrel by the name of Jones, are concerned in this new military movement....

Collins is well known here and although a man of energy, is such an eminent fool as to suppose that he can march a small force through the Northern states to Kentucky. He affirms that he is authorized by the 'Confederate authorities' to burn and destroy and to show no quarter.



\$1 note of the Calais Bank, August 1, 1857, bearing the signature of president George Downes. The back, with CHECK, illustrates one of the various security imprints of the New England Bank Note Co. (Courtesy of C. John Ferreri)

An Unexpected Incursion

In 1864 the capital of the bank was \$100,000. Signing bills were cashier Joseph A. Lee and president George Downes. At 10 o'clock on the morning of July 18, Consul Howard wired cashier Lee in Calais:

Fourteen men left here in a lead-colored sail and row boat for Calais. Would touch at Robbinston. Intention was to rob your bank in daytime. If they have not been alarmed, you can apprehend them quietly in the bank. William Collins is the leader.

A newspaper account told what happened next:

CALAIS, Me., July 18. At midday today there was an attempt to rob the Calais Bank by a small party of rebel raiders who came here from St. John. Three men were arrested. The leader of the gang is Collins, a captain in the 15th Mississippi regiment. They say some 30 associates promised to meet them here, but failed. The vigilance of the state guard prevented the consummation of this bold scheme of pillage. The three men have been committed. The citizens are arming in expectation of an attack tonight.

As the story unfolded it was learned that four raiders entered the bank and put some gold coins on

the counter in front of cashier Lee, to exchange for Legal Tender Notes, which then sold at a deep discount. At the same time another of the intruders reached for a pistol in his pocket, while another shouted a warning to the bank employees.

Forewarned, the bank was prepared. Four men behind the bank counter brandished their own pistols, while other armed citizens stormed the building. The raiders had no chance. William Collins was captured with a Confederate flag in his pocket, which he said he had planned to fly over the town. He and the others related that they were going to burn the town, but a reinforcement of 25 men did not arrive to help them.

Although townspeople were set to kill the invaders on the spot, reason prevailed and three of them in handcuffs were hauled off in the night to the Washington County Jail in nearby Machias. The fourth young man was turned free, and he went back to St. John. It was learned that Collins, earlier a captain in the 15th Mississippi Regiment, was now a master in the Confederate Navy, although he had stated to his associates that he was a major in the Army. It was also learned that for a moment in Calais he had taken his flag and had shaken in it the breeze.

The trio of inmates requested to be treated as prisoners of war, but Judge Charles Danforth found them guilty of the crime of bank robbery and sentenced each to three years in the Maine State Prison in Thomaston. On their way to Thomaston, traveling by stage through Ellsworth, they shouted a hurrah for Confederate President Jefferson Davis.

It turned out that Collins was not imprisoned for very long. Thirty-six days into his sentence, on November 26, 1864, he broke out. Traveling in secrecy, he went back to St. John, then to the South. On May 18, 1865, a month after the Civil War ended, he was pardoned by the federal government. Another raider, Francis X. Jones, was pardoned by Governor Coney on January 15, 1866, and the third, William Phillips, was given his freedom on May 7 of the same year. Today, the poignant Confederate flag is on view at the Maine Historical Society in Portland.

The Great St. Albans Raid

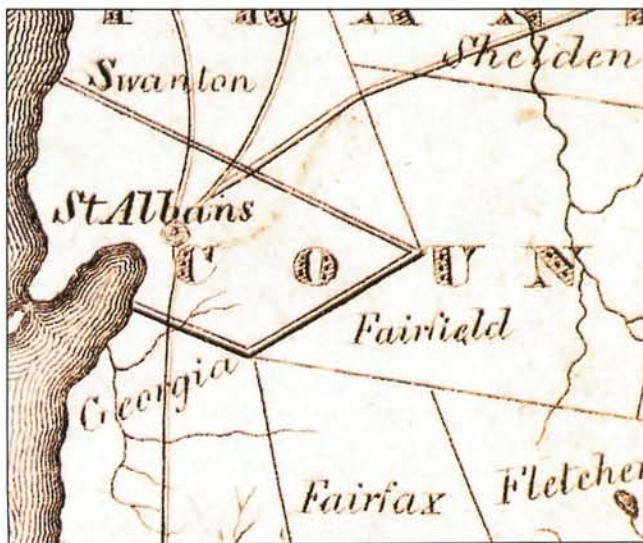
Setting the Scene

If contemplated long enough, just about any obsolete bank note can be linked to a story. For some, the story is dramatic. Such is the case for certain bills issued in St. Albans, Vermont, a quiet community of about 2,800 citizens on the shore of Lake Champlain at the northwest corner of the state, just below the border of Canada. The time is Wednesday, October 19, 1864. The Civil War continued to be fought far to the south. Canada to the north was neutral. The story of the incursion into Calais, Maine, had been newsworthy, but not sensational, and most citizens were not aware that it had happened—in view of important battles and skirmishes in the war zone in the South.

Vermont was largely unaffected in a direct sense, although more than 34,000 of its young men were in the service, of whom more than 5,000 would never return. The economy of St. Albans, largely agrarian, was enhanced by railroad machine shops and facilities that employed several hundred men. A staffed recruiting station for the Union Army was also in the village.

Detail of a Vermont map showing St. Albans from Thompson's *History of Vermont* (1842) is shown at right. The border with Canada is at top left near the margin as shown on the title page of this article. The town of Sheldon, connected by a road going northeast, also figures in the present story.

It was an especially quiet day on the main street of St. Albans. Light rain in the morning had kept most people indoors. Main Street was muddy, and few people were to be seen. On this particular Wednesday, about 40 leading citizens were out of town, attending the session of the Legislature in Montpelier and the State Supreme Court in Burlington. Meanwhile, around the town, citizens were involved in everyday affairs, clerking in stores, conversing, catching up with office work—a very ordinary scene, nothing unusual. In contrast, the day before had been crowded with activity, as Tuesday was market day each week. The popula-





\$5 note of the Franklin County Bank, St. Albans, Vermont, signed by cashier Marcus W. Beardsley, who would figure prominently in the historic events that took place in the town on October 19, 1864.

tion about doubled as farmers, merchants, traders, tourists, and others arrived to buy, sell, and exchange information. The village was easily accessible by road and by rail and was a popular regional destination.

Nine days earlier, on October 10th, Bennett H. Young, age 21, and two companions had come to town on the Montreal Express train from Canada. They secured accommodations at the Tremont House on Main Street, which took in boarders. Three of their friends arrived the next day and checked in at the American House Hotel. The young men were a friendly bunch, typical tourists, and arrived from several different directions, including some from Chicago. Young read the Bible aloud in room 6, suggesting to guests who could hear him from the narrow hall that he was a theology student. He and his roommate, William Hutchinson, attracted the attention of two other boarders, Margaret Smith and Sarah Clark.

On the third day, Bennett had breakfast with the two girls. He invited Sarah to be his guest the next day for dinner at the American House, the finest dining spot in town. She was thrilled. During their repast they enjoyed each other's company, talked about the attractiveness of St. Albans, and discussed biblical prophecies. Afterward they walked around town and Sarah pointed out and discussed buildings and other points of interest, including Governor J. Gregory Smith's mansion on Bank Street, a highlight of the village. Sarah knew the governor's family well, and soon arranged a tour of the grounds for the next Saturday morning. In the meantime she was falling in love with Bennett, despite her roommate Margaret's advice that she learn more about him and go slowly. In due course Bennett and Sarah were guests at the mansion, where Bennett paid particular attention to the stable and its fine horses.

Bennett H. Young and his friends were sociable and of an inquiring turn of mind. Around town they asked many questions of local folk in a casual manner, such as which livery stables had good horses for rent. They visited the three local banks and tarried to watch business being transacted, making mental notes of where their safes were located and judging the temperament of the clerks and cashiers. As they hoped to go hunting, so they said, they checked on the possibility of borrowing or renting guns. On October 18th, six more travelers from Canada arrived, with four of them checking into the Tremont House. On the morning of the 19th, six more young men came to town and registered at the St. Albans House, while five others took accommodations in the American House Hotel.

As to the sequence of memorable events in Saint Albans, newspaper accounts tell the story. These are from the *Daily Spy*, a widely read paper published in Worcester, Massachusetts, October 20, 1864:

A Tragedy at St. Albans, Vermont Three Banks Robbed and Citizens Shot

ST. ALBANS, VT., Oct. 19.—An invasion of this town took place today. Some twenty or twenty-five armed desperadoes supposed, to be in rebel employ, from Canada, made an assault on the several banks about 4 o'clock this afternoon. The National Bank was robbed of about \$50,000, mostly in bills; the St. Albans Bank was robbed of between \$70,000 and \$80,000, and the Franklin County Bank of a considerable amount.

Some twenty horses were also seized by the desperadoes and carried off. Several citizens who resisted were deliberately shot, two were wounded seriously, and it is feared fatally, E.J. Morrison, a contractor, and C. Huntington, a jeweler. Several others are reported slightly injured. The raiders threatened to burn the town and left in the direction of Canada. A large part of armed citizens have gone in pursuit.

St. Albans is about eight miles from the Canada line, and three from Lake Champlain. It is the residence of Gov. Smith.

The attack began about 4 o'clock P.M. The cashier of one of the banks was locked up in his safe,

where he remained a considerable time. The raiders came in the guise of travelers and may have been roving about town sometime before the attack.

The issue of October 21, 1864 included multiple accounts:

WE HAVE GRATIFYING INTELLIGENCE that nine of the robbers who made a successful descent upon the banks of St. Albans, Vt., Wednesday, have been arrested, and that one hundred and fifty thousand dollars, or nearly the whole amount of their booty, has been recovered.

The authorities of Vermont and of Canada are in sharp pursuit of the rest of the gang, with a fair prospect of bringing them to grief. No difficulty is apprehended in bringing the desperadoes before our courts under the extradition treaty, the Canadian authorities seeming to manifest equal interest with our own officers in securing justice for the scoundrels.

ST. ALBANS, Vt., Oct. 20.—Later advices from the parties who are pursuing the raiders, under Capt. Newton, Capt. Conger and Lieut. Stranahan, confirm the capture of nine freebooters and \$50,000 stolen bank bills. Considerable excitement prevails, though all apprehensions of any further danger at present from the marauders is removed. Capt. Nickerson, of the veteran reserve corps, is garrisoning the border with 115 convalescents from the hospitals at Brattleboro.

Judge Alihe of the supreme court has just returned from Montreal, where he has had a satisfactory interview with the Canadian authorities, and he is now preparing the necessary papers to bring the captured raiders before our courts, under the extradition treaty. Major Austin has dispatched Major Bantow to St. Johns. C.E., in order, if possible, to secure the arrest of a party of the raiders who are approaching that place from St. Ansted.

The banks in this place have suffered severely, but the St. Albans Bank announces that it will redeem its bills. We learn that in the skirmish last night at Freeleighburgh four raiders were captured. Wm. Hunt, one of the bailiffs of that municipality, left mortally wounded while gallantly endeavoring to capture the raiders. The provincial authorities of the frontier towns did everything in their power to accomplish the arrest of the rascals. Six horses taken by the scoundrels have been re-captured.

The raiders were pursued so close that they had no time to rob the Sheldon Bank, as no doubt they intended, but pushed through the village and thence took the nearest route for Canada line. Two were arrested at Freeleighburgh, three miles north of the line, and six more at Stanbridge, five miles further.

BURLINGTON, Vt. Oct. 20.—The St. Albans Bank and the First National Bank of St. Albans will redeem their bills as usual. The robbery has not affected their solvency.

ST. ALBANS, Vt. Oct. 20.—Six of the bank robbers were arrested in Stanbridge about midnight, and \$50,000 of their booty recovered. Three others were arrested at Freeleighburgh. They will be lodged in jail at St. Johns, to await a requisition from the United States authorities. Major Austin, provost marshal of the state, arrived here this morning, and has assumed direction of all military matters.

LATER—4 P.M.—Capt. Conger's party have returned, and report that they caught the leader of the raiders at Stanbridge, and recovered \$100,000 in addition to \$50,000 received this morning. The Canadian authorities are still after the villains, and there is a good prospect of the capture of the whole gang. The governor general of Canada has telegraphed that he will respond to a requisition from the United States government for the surrender of the robbers already arrested, and such as may be hereafter arrested.

The St. Albans Bank lost \$15,000, Franklin County Bank \$85,000, and the First National Bank \$50,000.

MONTPELIER, Vt., Oct. 20.—Immediately after the depredations in St. Albans by the raiders, governor Smith telegraphed to the governor general of Canada relative thereto, and messengers were sent to various points to confer with officers of the Canadian government. It is worthy of mention, that all communications, written and oral, upon the subject, have been treated with great interest and kindness by the British authorities, and so far, every facility and assistance possible has been rendered our pursuing party to hunt down and capture the raiders.

The communications of the governor general to governor Smith, are papers worthy of that high official, signifying as they do an interest on his part equal to that of our own people, to have the marauders brought to a speedy retribution. Maj. Austin has ordered the citizens of the frontier towns to organize themselves into home guards, and arms have been distributed to them, and they will shortly be prepared for any emergency.

The story became increasingly complex. In its December 1864 issue, *Banker's Magazine* included this in its coverage:

One of the most daring bank robberies of the past fifty years was that of the banks at St. Albans, Vt., on the 19th of October, by a party of freebooters, since representing themselves as officers and men of the Confederate service.

They attacked and robbed the Franklin County Bank, the St. Albans Bank, and the First National Bank, all of that place. About half-past three two or three young men, very well dressed, and evidently men of intelligence, came into the St. Albans Bank. All were fair in appearance save one, who is described by our former townsman, M.A. Seymour, who was in the directors' room of the bank at the time, as of most malicious visage.

These fellows approached Mr. C.N. Bishop, teller of the bank, and, presenting a pair of pistols, proceeded to rob the institution. Mr. Bishop ran into the room where Mr. Seymour was, and attempted to bolt the door, but they were too quick for them, and, forcing the door, Bishop was dragged out by the throat, and Mr. Seymour presented with a rebel argument in the shape of a pistol at his head. They were then obliged to swear an oath of allegiance to the Southern Confederacy, and not to divulge any of these proceedings for two hours.

The leader of the party said: "We are here under the order of General Early. You have been down in the Shenandoah Valley, burned our houses, and wasted our property; and now we propose to pay you back in the same coin." Mr. Seymour, being an extremely good Union man, hesitated about taking the oath prescribed; but a threatened application of "cold lead" soon brought him to the rebel terms.

The First National Bank is comparatively a new institution, having been started last spring. The party who robbed this bank had a scrimmage before they went in with a young man named Blaisdell, clerk in an adjoining clothing store. He saw these armed men coming towards the bank, and started to notify the cashier that there was set of "blacklegs" proposing to visit him. Before he entered the bank, however, he was stopped by the raiders, who, presenting a pistol, after a brief scuffle marched him and other prisoners to the Green, where a guard was set over them.

Upon entering the bank Mr. Sowles, the cashier, was urbanely invited to hand over what money he had and the keys of the safe. The request was complied with, the funds abstracted, and Mr. Sowles marched off to the Green. The losses of this bank amounted to \$52,650, as follows: \$29,650 in 7 3-10 Treasury bonds, in denominations of 50's, 100's, 500's and 1,000's; \$15,000 in five percent legal tender interest bearing notes; \$8,000 in currency on New England banks and greenbacks.

A reward of one thousand dollars will be given for the necessary information which will lead to the conviction of any of the robbers, and all persons are cautioned against purchasing any of the above lost bonds, as payment has been stopped. After the raiders had procured their horses they congregated in front of the American, and near the store of George H. Farrar, when they strolled up and down Main Street, firing at random. Nearly all the parties implicated are now under arrest, and undergoing an examination at Montreal.

The Rest of the Story

What was first thought to be a daring daylight robbery of several banks developed into an international incident. The raiders were, indeed, Confederate soldiers. Most were from Kentucky and all but one were from 20 to 26 years of age. Their position after capture is that they were on a wartime exercise, for the glory of the Confederacy, and, seeking refuge in neutral Canada, they were immune from the laws of the United States. American troops were commanded to charge into Canada and capture the raiders by force. However, President Lincoln revoked the order, realizing that it would violate neutrality, and that an invasion of Canada could be construed as a warlike act. Such publicity would benefit only the Confederacy and likely make Canada an ally. For several years that country had been a refuge for northerners who sympathized with the Confederate cause.

The exact amount of money taken was never ascertained precisely, but seems to have been about \$208,000, most of which was never recovered. In time the story of what happened was pieced together:

It was learned that Bennett H. Young, leader of the raid, had been a Confederate soldier with the Lexington (Kentucky) Rifles under General John Hunt Morgan (Morgan's Raiders they had been called). He and many others were captured by the Union and confined at Camp Douglas, near Chicago. He and some fellow prisoners were able to escape to Canada, remaining for a time in Toronto. Later he made his way to the South, via Halifax, Nova Scotia. He arrived in Richmond, capital of the Confederacy, where he presented his ideas for breaching the security of Camp Douglas, which was lightly guarded, allowing all the prisoners to escape.

In 1862, C.S.A. Secretary of War James A. Seddon had authorized the formation of "partisan rangers," to consist of from three to 50 men who, dressed as civilians, were to live and work in the North, to aid the Confederacy by providing intelligence, cut telegraph lines, start fires at strategic places (wood-

en bridges were to be targets), and to aid in the freeing of Confederate prisoners of war.

Then, On June 16, 1864, Bennett H. Young received this commission from Seddon:

Lt. B.H. Young is hereby authorized to organize for special service a company not to exceed twenty in number from those who belong to the service and are at the time beyond the Confederate States. They will be entitled to their pay, rations, clothing, and transportation but no other compensation for any service which they may be called upon to render. The organization will be under the control of this department and liable to be disbanded at its pleasure and the members returned to their respective companies.

Lieutenant Young left with a group of others and went to St. Catherine's in Canada, where he conferred with Clement C. Clay, the Confederate commissioner in that country. Both Canada and England, of which Canada was a possession, were neutral in the war, but had warm relations with the Confederacy. He then went to Chicago, arriving in early August, where in the company of other Morgan's Raiders and Southern soldiers who had escaped from prison, he assessed the situation. From there it was back to visit with Commissioner Clay, to lay plans to raid Camp Douglas and free all the men held there.

Word of the plan leaked to the commander at the camp, guards were reinforced, and, learning of the change, Young and his men canceled the foray. A new plan was hatched. News was fresh about General Philip Sheridan and his Union Army troops going through the Shenandoah Valley of Virginia and destroying all the food they could find, under the mantle of keeping it from provisioning the Confederate Army. However, most inhabitants of the valley were women, children, and older people, who suffered terribly under the depredations.

Young, Commissioner Clay, and the others devised a plan to attack several towns in northern Vermont to give the Yankees a taste of their own medicine. Citizens were not to be harmed if they offered no resistance, but buildings were to be burned and banks robbed. On October 6, 1864, Clay gave Young official approval.

Carrying out their strategy, 22 young men came into St. Albans casually, as described, and selected Wednesday, October 19th, as the time to carry their plan into effect, the least busy day of the week. Main Street was muddy, the town was chilly and damp, and few people were outdoors. Three o'clock was the appointed hour when each of the three banks would be entered simultaneously. All were on Main Street and within short walking distance of each other. Some men would enter the banks, while others would stand on Main Street, preventing passers by from sounding an alarm. If the men at work in the railroad shops were alerted, they could quickly overwhelm the unwelcome visitors.

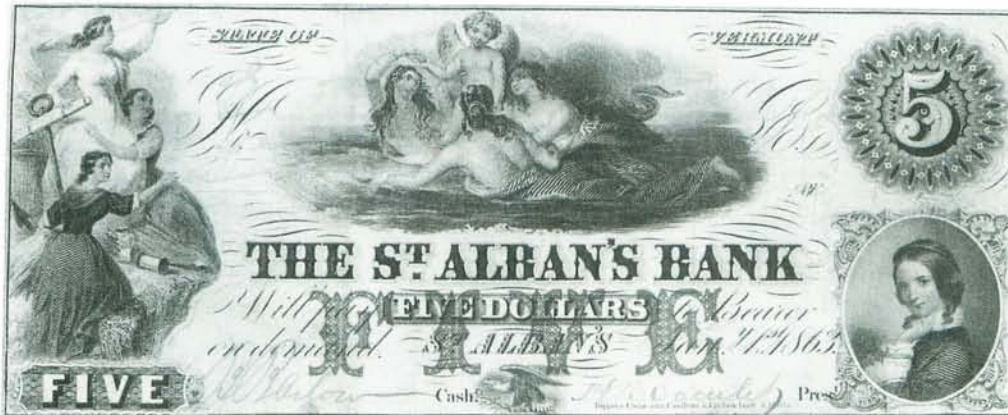


Main Street, St. Albans, Vermont, as it appeared years later in a postcard mailed in 1909.

At the Banks

At the St. Albans Bank the raiders consisted of Marcus Spurr, Thomas Bronson Collins, Turner Teavis, and two others, some smelling of alcohol. Upon entering, the five found teller Cyrus Newton

Bishop seated by a window counting paper money. Teavis waited outside. Bishop went to the reception desk to help them and was greeted by drawn revolvers and threats (as early described in a quoted news account). He ran toward the directors' room, where a clerk, Martin G. Seymour, was working with bank records, and tried to close the door, but the raiders pried it open. Collins, the leader, proclaimed that the strangers in town were all part of Morgan's Raiders, from Kentucky, a group that had distinguished itself with derring-do earlier in the Civil War with its incursions into Ohio and Indiana. Three more robbers joined the first two. At their mercy, teller Bishop was directed to get the bank's gold and silver coins. There was no gold, he said, but several bags of silver coins were in the safe, amounting to about \$1,400. This proved too heavy to carry, weighing close to 80 pounds, so they took about \$400 worth.



\$5 note of the St. Albans Bank, dated January 1, 1863, in the plate. The apostrophe in Alban's represents erratic usage. Printed by Toppan, Carpenter & Casilear, New York and Philadelphia. Could this note have figured in the October 1864 scenario?

A cash drawer under the counter contained about \$9,000 and was not noticed. All of the currency in the safe was taken, including St. Albans Bank bills and federal Legal Tender Notes. In the meantime two customers came into the bank and were robbed. The whole affair lasted about 12 minutes and netted \$73,522. The bank currency consisted of 400 \$50s, 1,000 \$20s, 1,000 \$10s, 2,000 \$5s, 10,000 \$2s, and 2,000 \$1 bills.

Left behind was a pile of sheets of St. Albans Bank currency, face value about \$50,000, that had been numbered, dated, and signed, but that had not yet been cut apart. Also not taken was about \$50,000 in bonds and securities left with the bank for safekeeping by customers. Perhaps some of the robbers had imbibed a bit too much earlier in the day.

The Franklin County Bank was quiet at the appointed hour when William H. Hutchinson, Cashier Marcus W. Beardsley was on hand, sitting by the stove, talking with James Saxe. The bank, which opened for business on April 20, 1850, with a stated capital of \$100,000, had been a successful operation. Beardsley had been cashier for a decade, succeeding founding cashier E.W. Parker. The bank had issued paper money from the earliest days, with the first bearing the printed date of February 1st, 1850, and the



\$10 note of the Franklin County Bank, St. Albans Bay, Vermont. "Bay" was removed from the plate. Signed by Marcus W. Beardsley and O.A. Burton. American Bank Note Co. New-York.



\$5 note from the same plate with "Bay" removed. Rawdon, Wright, Hatch & Edson, New-York.

address of St. Albans Bay. The "Bay" word was soon removed from the printing plate, leaving St. Albans on issues printed later. Today, two canceled plates remain in the ABNCo archives, one for \$10-\$20 and the other for \$1-\$1-\$2-\$5.

Another man, Jackson Clark, a lawyer, was in the room as well when raider Hutchinson came in. Beardsley stood up and went to his place behind the counter to help the visitor. Hutchinson casually asked the price of gold, a popular speculation at the time. Beardsley said that the bank did not deal in such coins. Soon, a local businessman, J.R. Armington, arrived. Beardsley told the stranger that Armington dealt in gold, whereupon the stranger exchanged with him some Legal Tender Notes for two gold coins. Armington and Saxe then left the bank, while Hutchinson remained in his conversation with the cashier.

The other four raiders came in to join Hutchinson. One of them pointed a revolver at Beardsley and made their real business known. The cashier was ordered to first bring out all of the "greenbacks" the bank had, then all other money. He was told that a band of 100 soldiers was going to burn down the town in retaliation for Union raids in the South. The cashier was then pushed into the bank vault, where Jackson Clark had already been placed. Over his protests that he would smother in the airtight space, the door was slammed shut and locked. Both confined men had visions of dying as the bank burned. Armington, the bank customer and gold trader, entered the bank after the robbers left, heard shouts from within the vault, and, following instructions called out by Beardsley, was able to open the safe. The two men had been trapped for about 20 minutes.

At the First National Bank of St. Albans a similar scenario took place, this time with four raiders. Caleb McDowall Wallace (a nephew of John J. Crittenden, the famous Kentucky statesman), and a companion entered the bank, where they encountered cashier Albert Sowles, who was standing behind his counter. The only person in the bank was John Nason, a retired general who was nearly 90 years old, and who had severely impaired hearing. While Sowles was held at gunpoint in front of two pistols held by Wallace and a long revolver held by his accomplice, Joseph McGroarty ransacked the safe and took all the bills and securities he could find, amounting to \$58,000 in currency. Five sealed bags of coins were found, and McGroarty asked Sowles what was in them. "Cents," was the reply. To verify this, he undid the cords on one of them and scattered the coins around on the floor. McGroarty was 38 years of age, the only one of the St. Albans raiders who was over 26. The fourth raider, Alamanda Pope Bruce, stood inside the door as a guard, later going over to the park to help with guard duties there.

While all of this was going on, General Nason sat in the room casually reading a newspaper. After the robbers left, he inquired as to what the gentlemen had wanted. Cashier Sowles was taken to Taylor Park in front of the American House Hotel nearby and placed under armed guard with a few other citizens, Main Street being nearly empty.

In the meantime, while 13 of the men were robbing the banks, the other raiders, about nine in number, commanded several citizens to gather in the park. Some ran away, and other citizens took matters into their own hands. However, the workers at the railroad shops did not learn of the incident in time to help. The raiders, mounted on horses stolen from citizens, some detached from their buggies and carts, and seven taken from Fuller's livery, started on their way out of town. As they fled, they threw "Greek fire," an inflammable concoction of phosphorus, on several buildings in an attempt to burn the village. At Atwood's and Brainerd's stores the fires were inconsequential. The American House Hotel was set on fire,

but just a small part suffered damage. Shots were exchanged during these hectic moments, and Elinus J. Morrison, a contractor from New Hampshire who was doing the bricklaying during the construction the Welden House, was mortally wounded. Ironically, Morrison was later remembered as a northerner who was sympathetic to the Confederate cause.



\$5 note of the Missisquoi Bank of Sheldon, Vermont, named for the Missisquoi River that flows nearby. Plate by Rawdon, Wright, Hatch & Edson / New England Bank Note Co. The eagle vignette is the most wingspread of any in the bank note series.

On the way north to Canada the raiders stopped at the Missisquoi Bank in Sheldon, but found the door locked. From there it was across the border to safety, setting small fires at two wooden bridges along the way.

Consternation and fear reigned along the towns in the United States that were close to Canada. A rumor arose that Burlington would be attacked next, with an even larger force, and that smaller towns would fall victim to depredations. Local guards and sentinels assisted by military personnel were on alert in many villages for the rest on the autumn and into the next year.

Back in Canada

In Washington, Secretary of War Edwin Stanton received word that St. Albans had been pillaged and set on fire by Southern refugees, after which the telegraph service district failed. The next morning he learned the details of the robberies and escape.

Most of the raiders soon were arrested in Canada, and sought protection under international law. Canadian authorities were indecisive, and resisted the request to prosecute those in captivity, and to issue arrest warrants for others at large. On October 21, Secretary of State William H. Seward demanded that Canada turn the men and money over to American authorities. However, Lord Monck, the governor general of Canada, directed that they be tried in court there. The prisoners were taken to Montreal, where crowds cheered them as they arrived. Soon they were taken to prison, but assigned to apartments that were nicely furnished in the manner of a fine hotel and given special food service. Bennett H. Young penned a nice letter to Sarah Clark, his former boarding house friend in St. Albans, sending her \$3 with a request for copies of the *Vermont Daily Messenger*, so he could read the accounts.

The hearing of evidence began on November 7. The United States had observers on hand, but could not bring any attorneys to the court as none were licensed to practice in Montreal. Young, leader of the raiders, stated that the action was a military attack under the authority of the Confederate States of America, and nothing more. His statement included this:

The course I intended to pursue in Vermont, and which I was able to carry out but partially, was to retaliate in some measure for the barbarous atrocities of Grant, Butler, Sherman, Hunter, Milroy, Sheridan, Grierson and other Yankee officers, except that I would scorn to harm women and children under any provocation, or unarmed, defenseless and unresisting citizens, even Yankees, or to plunder for my own benefit.

After hearing testimony, Judge LeCharles Coursol stated that in actuality he had no jurisdiction in the case since the raiders had not been arrested under legal warrants, and dismissed the prisoners to the cheers of onlookers. A waiting sleigh took Mr. Porterfield, a Confederate agent who had attended the proceedings, to a nearby bank where what remained of the stolen money had been stored. This was given to

the agent, who distributed it to the prisoners. The value was calculated to be worth about \$88,000 in terms of paper money, equivalent to about \$50,000 in gold coins.

The released men then scattered in several directions. The United States raised sharp protests, including through Francis Adams, United States minister to Great Britain, since Canada was a possession of that country. Call was made for a further investigation. Judge Coursol was commanded to appear before the Police Committee of Montreal after inquiries revealed that he had made certain arrangements with Confederate agents before and while the trial was in progress, suggesting what the verdict would be. He admitted that he had associated with Confederates, but declined to answer further questions. Coursol was suspended from his office, and the statement was made that he was indictable for malfeasance. Later, the attorney general restored him to the bench, and still later he was elected to several terms as mayor of Montreal.

The improprieties were considered, and Justice James Smith of the Superior Court issued a warrant for the re-arrest of the raiders, but only five could be found, one being Bennett H. Young. In the meantime, the freed men had turned over most of the St. Albans money to Clement C. Clay, the Confederate commissioner in Canada. A new trial was scheduled for December 27, then continued into the next year.

The trial took place, and testimony was again heard, this time including as a main charge the robbery of Samuel Beck, a merchant who had entered the St. Albans Bank when the bank robbery was taking place. On March 29, 1865, Justice Smith announced that the raid was indeed a military expedition carried out under the auspices of the Confederacy, and that the raiders could not be extradited to the United States to face other charges. Rousing cheers in the courtroom and outside were raised as the prisoners were given their freedom.

Another arrest warrant was soon issued, and the men were taken to Toronto for yet a third trial. Throughout these court scenes, United States representatives persisted that the actions of Bennett H. Young and his raiders were not those of soldiers, but of common criminals. To counter this easily, the prosecution had a field day parading the similar and even worse depredations committed by Union soldiers on innocent people in the South, including in the Shenandoah Valley, where houses were pillaged. For good measure the defense attorney brought forth a volume of Frank Moore's *The Rebellion Record*, published by Putnam in New York, and read this account of the invasion by Union troops of the quiet town of Darien, Georgia:

On June 11, 1863, an old ferry boat converted to a gunboat came up the Altamaha River to Darien. On board was a federal officer, Montgomery, commanding a party of Negro soldiers. Their purpose was to "present their compliments to the rebels of Georgia."

As they approached, they threw shells into the village scattering the terror-stricken inhabitants. Not a single armed person appeared at the wharf to dispute their landing or to offer resistance. Pickets were sent to the outskirts of the town; orders were given to take everything of value to the boat and then to burn Darien. Officers with squads started off in every direction. Soon they began to return to the boat loaded with all types of furniture, even pianos. Tools, mirrors, jewelry and money were taken. One private returned with a pair of chickens in one hand and leading a cow by the other. Papers, letters and books weren't neglected.

Darien contained between 70 and 100 houses on a street running along the river shaded on both sides by large oaks and mulberry trees. A town of age and respectability, it never looked so grand and beautiful as it did in its destruction. As soon as a house was ransacked the torch was applied, and by 6 o'clock the whole town was in a sheet of flame.

Montgomery's reason for the raid was, "The South must be conquered inch by inch and what we can't put a force in to hold ought to be destroyed." Later he described how the plunder was divided at camp and that "some of the quarters look really princely with their sofas and pianos."

The trial was still in progress when the war ended in April. The men were set free. Soon afterward the Canadian government made restitution to the Franklin County Bank of \$31,000 of the paper money bearing the imprint of that bank, to the First National Bank \$19,000 in paper money, and to the St. Albans Bank \$20,000 in gold coins.

After the war Bennett H. Young achieved prominence in Louisville, Kentucky, as an attorney, author, and president of the Southern Railroad, one of the nation's largest lines. In 1911 he remarked concerning the raid, "I wonder how I ever undertook it. I am now as loyal to my reunited country as I was then to my cherished Confederacy." He lived to the age of 76, and died as an honored American citizen. ❖

Another Way to Share Information

GEORGE TREMMEL AND I RECENTLY MADE A PRESENTATION to the Chattanooga Currency Study Group from our respective homes. This club was started by SPMC members Dennis Schafluetzel and Tom Carson. Tom is a specialist in electronic publishing using Adobe Acrobat, and George and I have learned much from him about conversion of paper documents to electronic format.

George and Tom have already published a CD, *The Correspondence of the Confederate Treasury*, and they will soon issue a related volume, *Financial Extracts of the Confederate Congressional Record*. George and I are completing a third CD with Raphael Thian's five personal currency albums and a sixth Thian volume, *Documentary History of the Flag and Seal of the Confederate States of America, 1861-1865*, all holdings of Duke University's Rare Book, Manuscripts, and Special Collections Library.

Chattanooga is too distant from our central North Carolina homes for an appearance. So we did it from home using our Internet-connected PCs and our telephones. We used an Adobe teleconferencing product called Breeze. The Tennessee group had a PC and screen projector. Tom as moderator could display any of the three screens for all to see, and George and I used our computers to show samples of the Thian material and photos of the setup of our digitizing equipment.

SPMC Librarian's Notes

By Bob Schreiner, Librarian

We spoke via the telephone. If we had inexpensive web cameras and microphones, we could have shown more than what was on our screens and spoken without the telephone. As novice home teleconferencers, we lacked that equipment.

The presentation went quite well. While in-person meetings have advantages over teleconferencing, our presentation would simply not have happened without the convenience of technology. And you would not have access to some valuable information without digitization of library holdings. The Thian CDs will permit researchers to learn without traveling to the Thian Mecca at Duke. Digitization offers access to information otherwise bound in unique or rare non-circulating documents in libraries and archives everywhere.

But the book is hardly obsolete. Mathew A. Janzen has recently donated a copy of his new book, *Wisconsin National Bank Notes, a Census of Large and Small National Currency*, to the SPMC library. This is 393 pages of detailed information. Without dedicated researchers spending huge amounts of their time and other resources to produce products with no hope of commercial success, such information would in effect not exist. We owe Janzen and others great thanks for contributing to knowledge resources available to all. See "Member Publications" on the spmc.org web for ordering information.

The SPMC library catalog is on the web, spmc.org. I welcome your thoughts on library, web, and related areas. I can be reached at POB 2331, Chapel Hill, NC 27515-2331, or email to rschreiner@mindspring.com. ❖

The Editor's Notebook

Fred L. Reed III



These are the good old days

YES, THESE ARE THE GOOD OLD DAYS IN paper money collecting. The clues abound, but I'll just point to two crossover milestones.

CSNS sponsors NBN Symposium

Central States Numismatic Society, which has been one of the better regional coin groups since the days of Lee Hewitt, is holding its first-ever educational seminar on August 3, 2006, at the Higgins Museum in Okoboji, Iowa. The topic will be National Banknotes. Distinguished faculty includes Peter Huntoon, Mark Hotz and Wendell Wolka.

Cliff Mishler has been instrumental in helping organize this seminar. He is on the Board of the Higgins Museum, which features one of the largest collections of National Banknotes in the U.S.

Cost for CSNS members is \$30, or \$50 for non-Central States members. A block of motel rooms at a nearby motel has been reserved at an attractive rate for seminar participants, according to past CSNS president Ray Lockwood. Additional info is available, stage right.

Coinmen Turn Up the Heat on Paper Money

Dave Bowers is a writing machine, and one could have a rewarding, full time avocation just reading his excellent output. With 50 books in his sachel already -- on seemingly every conceivable coin topic, and as far afield as automatic music machines, artist Alphonse Mucha, and silent films, it seemed inevitable that he would show his moxie in the paper money field, too.

I am reluctant to gild the lily, but Dave's newest (? , it's hard to keep up) volume *100 Greatest American Currency Notes*, co-authored with another "name" David Sundman, is really something special. Like many of Bowers' books, this read has the cadence of the spoken (as opposed to the written) word making immersion in them a double treat -- it's as if the narrator is sitting in one's parlor sharing his enthusiasm for things numismatic with you personally. Congratulations to both Daves.

This work shares a passion with this writer -- profuse illustration which amplifies not disrupts the tale since photo captions have a high narrative value of their own, too. The Daves throw a wide net over their combined century of experience at the upper echelons of the numismatic trade. They interweave history, philosophy, and aesthetics into a upbeat commercial banter.

I laughed when I read the paper money dealer's comment that he had learned something from this book, because that is precisely what I wrote Dave a while back. You'll learn many things too, withall having a blast! ❖

National Bank Note Seminar

Sponsored by the Central States
Numismatic Society

Date: August 2-3, 2006

Higgins Money Museum,
1507 Sanborn Ave., Okoboji, Iowa

Enjoy an evening reception on August 2, meeting fellow students and instructors and get ready for a full day of information from national bank note experts **Peter Huntoon, Mark Hotz, and Wendell Wolka** on August 3. The seminar is wrapped up with an informal Q&A session with the presenters that evening. Lunch and refreshments provided.

Registration \$50 non-CSNS Members

\$30 CSNS Members

HURRY! Space is limited

To Register Contact : Jim Moores 816-792-3644
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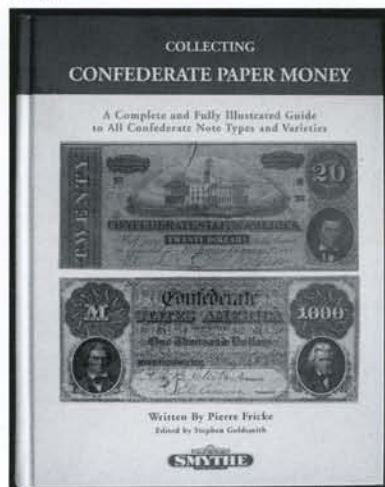
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